Customer Loyalty Towards Grocery Stores-A Study Among Women Shopers in Tiruchirappalli

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ABSTRACT

Retailing is one of the world fastest growing Industries. Food and grocery store has the largest share in the India's retailing sector. It is divided into traditional and modern grocery stores. This study examines the woman's consumer's preference towards grocery items in an organized retail environment and analyzes their loyalty towards grocery stores. In our study the questionnaire got developed using literature matrix, the content validated using content validity techniques, tested reliability .A sample size of 100 women consumers is selected using probability method and random sampling techniques. The data analyzed using descriptive statistics, chi-square test and multiple regression analysis. The finding of the study reveals that offering discounts attract women to purchase groceries and making them being loyal towards a particular grocery store.

Keywords: Grocery store, Consumer, Organized retail environment, Questionnaire, Loyalty.

1. INTRODUCTION

In earlier days, historically and traditionally, people used to sell or purchase the food items which are not branded because it is the domain of small local players. But due to changing lifestyle of the customers, increasing competition and LPG (Liberalization, Privatization and Globalization) some progressive traders like local, regional, national and global retailers started the cleaning, grading and packaging, branding food items such as Atta flour, sugar, tea, powder, rice, honey, cooking oils etc., Due to the rapid changes in the global market and the increased competition experienced among firms, "Brand Management" has become more important. Good brand management brings about clear differentiation between the products, ensures consumer loyalty and these preferences may lead to a greater market share, but still it is the need of the hour that in the segment of groceries ,sometimes in private labels dominate the market share and most

of the groceries are purchased by women who become the homemaker ,Hence ,the retailers are much interested to understand the women purchase behaviors towards the grocery market and want to explore the reasons for their loyalty.

1.1. Statement of the Problem

A recent report by Technopak, Emerging Trends in Retail and Consumer Products 2016, states that the Indian retail market, currently estimated at $490 billion will grow at a CAGR of 6 per cent to reach $865 billion by 2023(c.f. The strategist). The performance of the retail sector for the past few years is outstanding and witnesses a huge revamping exercise, significantly contributed by the growth of organized retailing, but organized retailing in India is still at a nascent stage and in order to increase the market share of organized retailing this study focuses to find out the factors influencing the women to purchase from an organized grocery store.

1.2. Objectives of the Study

- To study the demographic profile of women who make grocery purchase.

- To study the factors influencing women to do grocery purchase and loyal towards organized retail stores.

2. METHODOLOGY OF THE STUDY

The study used a descriptive type of research design where the women's responses about the grocery purchase behavior and the factors influencing their loyalty are studied. The population of the study is the women who do grocery purchase who are located in Tiruchirappalli.

The sampling method used in the study Non-Probability sampling technique used i.e convenient sampling. The researcher, taken 100 women's responses as the sample size according to the researcher's convenience.

The questionnaire was developed with the help of literature review by selecting the factors influencing grocery purchase and which influence loyalty among women and the same questionnaire was validated with the help of academicians, few women customers and researchers. Then the questionnaire was self-administered to women customers in the selected retail outlets in Tiruchirappalli city. After the data collected was analyzed using a statistical technique, namely multiple regression analysis using SPSS version 16.

3. ANALYSIS AND INTERPRETATION

3.1. Multiple Regression Analysis

Table 3.1
Variables Vs Overall loyalty towards the Grocery store

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.956[a]	.914	.579	.55045

The Table 1 displays are R, R^2, adjusted R^2 and standard error.

Table 2
Overall loyalty towards the grocery store

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	32.250	39	.827	2.729	.046[a]
Residual	3.030	10	.303		
Total	35.280	49			

Table 3
Coefficients Statistics showing Purchasing behaviour of Grocery store
Variables vs. Overall loyalty towards the grocery store

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.008	2.641		.760	.465
Consumer expects excellence of quality relative to price	.452	.273	.527	1.651	.130
National brands provide value for money compared to private label brands	.612	.361	.587	1.697	.121
A private label brand offers greater value to the consumer in either the same quality at a lower price or lower quality at a much lower price.	−.124	.339	−.125	−.365	.723
Availability of organic product options.	.205	.460	.227	.447	.665
Nutritional labeling information that should be included on some of the grocery packages	.176	.681	.205	.258	.802
Stores should provide packaging attributes such as graphics that include layout and the use of powerful product photography, to create an image to help in attracting and sustaining consumer attention.	−.413	.489	−.474	−.846	.418
Consumers give preference to the store where the availability of their entire required grocery product is assured.	.263	.325	.286	.807	.438
New product information provided to consumers.	.282	.328	.344	.861	.410
Enable members to print out a shopping list at a kiosk at the front of the store	.323	.338	.375	.956	.362
Offer promotions based upon customer-stated preferences, purchase history, tier, and segment.	−.032	.166	−.032	−.195	.849
Include both accrual promotions (earn points) and redemption promotions (use points to purchase an item).	−.187	.393	−.197	−.476	.645
Offer simple discounts (such as 50 percent off), Offer value discounts (such as spend ₹2000, receive a free product), Offer frequency discounts (such as buy five, receive the sixth one free).	−.878	.270	−1.013	−3.247	.009
Store advertisements should be appealing and stimulates them to visit the store.	.590	.417	.543	1.414	.188

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Frequency of ads and promotions should be increased to attract customers.	.162	.415	.219	.390	.704
Easy entrance and exit to parking lot.	−.441	.281	−.540	−1.569	.148
Store should be in Proximity to home or working place.	.630	.347	.788	1.816	.099
Longer opening hours.	−.341	.269	−.371	−1.268	.233
Store should facilitate easy use of physical facilities of the store (escalator, elevator, baby cart).	−.104	.260	−.113	−.402	.696
Numerous cash counters to ease queues (speed of check out) at checkout point.	.281	.202	.436	1.390	.195
Providing Consumers with durable carry bags	−.299	.363	−.380	−.824	.429
Well-assorted rest area (snack corner, toilet, coffee shop, chairs).	−.215	.204	−.288	−1.053	.317
Ease of finding/locating grocery items from the shelf-space/shelf signage through proper display and presentation	−.021	.446	−.021	−.046	.964
Variety of credit cards accepted.	−.111	.471	−.096	−.236	.818
Easy return and exchange of goods to be facilitated in a quicker manner.	−.304	.359	−.383	−.846	.417
Grocery Products Home/Door delivery services to be provided to consumers.	−.149	.411	−.167	−.363	.724
Providing web sales to encourage online purchase/ Access to internet shopping	.316	.279	.439	1.134	.283
Provide Financial services/access inside the shop(Presence of ATM machines)	−.236	.187	−.329	−1.266	.234
Grocery stores need to provide Point-of-purchase displays, signs, product display, and price display.	−.048	.615	−.054	−.078	.939
Salespeople are perceived as helpful, friendly, and courteous.	−.080	.364	−.060	−.219	.831
Affirmative action and solution to complaints by salesperson.	−.065	.187	−.076	−.347	.736
Temperature within the store should be refreshing.	−.040	.345	−.048	−.116	.910
Store provides an atmosphere and opportunity for a social experience outside the home (e.g. seeking new acquaintances or meeting those of their friends, family, or even strangers that one encounters in a shopping location).	.158	.203	.202	.778	.455
I am satisfied with the consistency of the grocery store.	.615	.366	.610	1.679	.124
I am satisfied with the convenience of the grocery store.	−.585	.290	−.711	−2.019	.071
I am satisfied with the merchandise of the grocery store.	−.236	.305	−.222	−.772	.458

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
I am satisfied with the price offered in the grocery store	.275	.394	.293	.699	.501
I am satisfied with the store channels of the grocery store	−.343	.476	−.374	−.721	.488
Willing to purchase from this retailer for the next purchase of similar merchandise.	.329	.306	.356	1.073	.309
Likelihood to recommend the retailer to others for grocery purchase.	.283	.188	.373	1.504	.163

Multiple R = 0.956, F value = 2.729, d.f (39, 10), *p* value < 0.01, R square = 0.914

From the above table the significance value of 0.009 reveals that offering discounts attract women and make them loyal as for the women located in Tiruchirappalli who does grocery purchase.

3.2. Chi-Square Analysis

From the above Table 3.4, it is inferred that, there is a significant relationship between marital status, occupation and with overall loyalty towards groceries purchase behavior. Similarly, age got associated with frequency of advertisement and promotions, ease of access to parking, easy exchange of goods and providing of value for money by national brands compared to private labels. Furthermore, occupation also having relationship with consumer expectation of excellent quality relative to price and stores should provide packaging attributes such as graphics that include layout and the use of powerful product photography for creating an image to attract and sustain consumer attention.

Table 4
Chi-Square analysis

Pearson Chi-Square Tests Value	DF	Asymp. Sig. (2-Sided)	Alternate Hypothesis	Status
31.11*	4	.000	There is significant relationship between the marital status and overall loyalty to the grocery store	Accepted
52.101*	20	.000	There is a significant relationship between occupation and the overall loyalty to the grocery store	Accepted
64.565*	16	.000	There is a significant relationship between the frequency of grocery purchase and the overall loyalty to the grocery store	Accepted
22.13*	9	.008	There is a significant relationship between age and National brands provide value for money compared to private label brands	Accepted
26.487*	12	.006	There is a significant relationship between the age and Frequency of ads and promotions should be increased to attract customers.	Accepted
29.260*	12	.004	There is a significant relationship between the age and easy accces to parking facility.	Accepted
38.096*	12	.000	There is a significant relationship between the age and easy exchange of goods to be done in a quicker manner.	Accepted

Pearson Chi-Square Tests Value	DF	Asymp. Sig. (2-Sided)	Alternate Hypothesis	Status
37.833*	20	.009	There is a significant relationship the Occupation and consumer expects excellence of quality relative to price.	Accepted
52.808*	20	.000	There is a significant relationship the occupation and Stores should provide packaging attributes such as graphics that include layout and the use of powerful product photography, to create an image to help in attracting and sustaining consumer attention.	Accepted
28.142*	20	.000	There is a significant relationship between the Income groups and likelihood to recommend the retailer to others for grocery purchase.	Accepted
34.987*	9	.000	There is a significant relationship between the nature of purchase and National brands provide value for money compared to private label brands.	Accepted

The frequency of grocery purchase also having a relationship with overall loyalty towards the purchase of groceries by women from retail outlets. In addition, income groups having relationship with attributes such as likelihood to recommend the retailer to others for grocery purchase. Similarly, the nature of purchase also has an association towards value for money provided by national brands compared with private label brands.

4. RESULTS AND ITS IMPLICATIONS

From the study it is observed that more than 40 percentages of respondents who's income above 30000 are interested in branded items and buyers whose income between 10,000-15,000 buyers show much interest in Unbranded grocery items. The study reveals that the buyer's awareness and preference to the branded items is proportional to their educational qualification.

From the data it has been identified that 90 percent of respondents prefer the product from grocery store based on advertisement, offers, taste and retailer influence.In addition, 60 percent of respondents said that Price, Product availability, quality and friends & relatives are impacting on women to purchase grocery product.Most importantly, from the regression analysis, it is significant that offering discounts attract the women to purchase groceries from retail stores. The demographic & rational factors such as marital status, occupation, age, income, frequency and nature of grocery purchase have a significant association with groceries purchase attributes. It is suggested that the retail strategist should focus on the above said variables specifically offering discounts for volume purchase of grocery products.

The study data comprises respondents from selected retail outlets of Tiruchirapalli. The researcher has not taken samples from all the retail outlets from Tiruchirapalli district. Hence, it is suggested that the future researcher should have a larger sample size representing the women population of Trichy district.

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