Store Patronage and Buying behavior of Consumer - A Case Study of Organized Retail Stores of Jazan

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ABSTRACT

The present study is based on store patronage and buying behavior of consumer. This study is conducted in Jazan province of Saudi Arabia. The study is conducted by taking 500 consumers who were found shopping at organized retail stores of the region and who volunteered to participate in the survey. The economic condition of Saudi Arabia is improving and hence the life style of the consumer is also changing which laid to the change in the retail formats of the region. The current study is based on the factors which build to develop store association and buying behavior in the customers. The current study is based on primary and secondary data. SPSS18.0 is used to analyze the primary data which were collected by questionnaire method. Cronbach's alpha test is used to for reliability of the questions whereas Chi-Square Test is used to validate whether the proposed hypothesis has its association with the buying behavior of the consumer. Proposed hypothesis are based on factors which be the probable reason for buying outcome in the consumer. The hypotheses are proposed based on review literature conducted in different country. The study validates the factors which influence consumer buying behavior and research could be used by retailers to develop store patronage.

Keywords: Store Patronage, Organized Retail Store, Consumer Behavior.

1. INTRODUCTION

Patronage analysis measures the relative appeal of a store or department and explains why customers do or do not shop in a particular store. Consumer patronage is defined and measured in behavioral terms which include exclusive shopping, large spending, large percentage of purchase and percentage of large quantity of purchase from a particular store (Kaul 2006). The retail sector is increasingly making attempts

to serve low-income consumers in rural as well as semi urban areas like townships (Klemz et. al., 2006). Today consumers have a variety of choice for retail formats to satisfy their needs and wants (Srivastava, 2008; Tuyet Mai et. al., 2003). The retail environment is changing very fast so it is important to identify the factors responsible for changing the buying pattern of consumer. It has also been noticed that retail pattern is also changing to satisfy more consumer and they have created certain factors which actually create an environment to encourage consumer to purchase. There are several factors which have been reveled in previous researches that create successful patronage and that include store location, merchandise, customer service, and store atmosphere (Lindquist 1974; Mazursky & Jacoby 1986). Tangibility, empathy, reliability, and assurance are factors which create customer satisfaction and are key drivers for store patronage (Plooy et. al. 2012).There are several factors which act as a strength and weakness of a store and these include store location, service of the store, store working hour, availability of stock, price of the branded product (Ligthelm 2003).

The study focus on the factors those are responsible for creating patronage in customer. In the recent years the buying pattern of consumer has been changed due to change in life style and changing income level of the consumer. Recent studies have also revealed that current consumer prefer to purchase from organized store as they offer wide range of product with add-on values associated with the store. Unorganized retailers' faces a challenge by organized retailers as organized target both the high end consumers as well as bottom level consumers. Organized retailers have not only changed the mode of operation of the retail industry but also changed the buying pattern of the consumer (Popkowski et. al., 2004). A study revealed that a customer is motivated by a number of personal and social factors which are unrelated to the actual need of a customer to buy the products(Tauber 1972). In a study it has been shown that patronage decisions are associated with consumer attributes that are suggestive of heterogeneous cost–benefit tradeoffs and opportunity costs of time. Patronage belief has been a subject of research for the past few decades. Number of studies made an attempt to explore the relative importance of store patronage motives (Arnold, et. al., 1983)

2. REVIEW LITERATURE

Several recent research studies have proposed management cha-llenges in retailing **(Dawson 2000). Reichheld and Sasser, 1990** in their study expressed that quality and price are not only factor which associate to store patronage there are several other factor which are also needed to be considered like store layout, infrastructure etc. **Messinger and Narasimham, 1997** analyzed the buying pattern of consumer and proposed that convenience on saving time effect positively on buying behavior of consumer. **Magi and Julander, 1996** in their study stated that location and convenience are the two determining factors for store choice**. Bell, Ho and Tang, 1998** in their study that only store location is the appealing factor for store choice but other factors need to be considered like social class, family size, age, life style and past experience. **Moschis**, **1992** in his study stated that patronage patters are influenced by consumer's perception, store image past shopping experience and attitude towards the particular store. He stated that patronage behavior is a decision process which depicts consumer search for store, their buying pattern and products purchase he further added that the patronage behavior is related to why consumer purchase from a particular store. **Babin et. a**l., **(2004**) in their studies has stated that shoppers' interaction with the shopping environment has influence on patronage decision. **Arnold and Tigert, 1978** in their research

identified that store choice are purely dependent on retailer prices on shopping behavior on the other hand **Zeithaml, 1988** stated that consumers' shopping decisions are not only based on price. **Baker et. al., 2002** focused on store environment such as music, layout, crowd and Convenience effect store patronage. **Solgaard** et. al., **2003** in their study have stated that store patronage such as location of store, store layout, sales person's attribute, are important factors which influence consumer. **Bellenger et. al., 1977; Russell et. al., 1999; Prasad and Reddy, 2007** in their study stated demographic characteristics such as age, income, education and location of residence affect shopping behavior and store choice of consumer. **Huddleston et. al., 2004** in their study identified promotions, store location, product variety and service as key loyalty factors. A research **by Fox et. al., 2004** studied customer's behavior and concluded that people has greater value of attachment to variety and advertisements than to prices. **Jacoby et. al., 1984** expressed that consumer frames a belief based on their past experience that whether the store has a optimal environment for shopping or not.

Baker et. al. 2002 & **Yoo et. al. 1998** in their study concluded proper layout creates a positive impact in consumers buying attribute. **Sherman et. al**. **1997** in his study expressed that proper layout invokes customer to purchase more from the shop. **Spies et. al. 1997** in his study expressed that poorly designed reduces purchase of a consumer. **Kotler 1973** defines store atmospheric as an important determinant that design the buying environment to produce specific emotional effect in the customer's mind and enhance the purchase he further suggested that store atmosphere as a competitive tool to attract and maintain the niche where product and price differences are nominal.

3. RESEARCH METHODOLOGY

In this research the present descriptive cross sectional study is designed is to examine the store patronage and its impact on buying behavior. The focus is to examine the effect of store pattern and its implication on the buying behavior of the consumer. Here in the research the explanatory study was framed which is taken into consideration with quantitative research strategy. Here in this primary as well as secondary data is used for analysis.

3.1. Sampling

In order to identify the impact of age on buying behavior of consumers the consumers with age 14 years and above were selected. Primary data was collected randomly from choosing 500 respondents who were involved in the shopping at the chosen retail store Jazan by administering them with the structured closed ended questionnaire. Out of 500 respondents only 412 respondents participated in the present research giving a response rate of 82.4%.

Questionnaire approach was adopted for gathering primary information such as experts opinions, past studies, for evaluating and validity of questionnaire, cronabch's alpha test is used. Meanwhile the questionnaire approach was also executed for assessing consumer's attitude regarding retail. Secondary data was collected from journals, census report and books.

3.2. Quantitative Analysis

The collected data were analyzed using a statistical package. To examine the survey the researcher made use of the Statistics Package for Social Science software (SPSS). Data was analyzed using descriptive

and inferential statistics. In order to describe the basic model in the data, the researcher made use of the descriptive statistics (Lawrence, 2006).

3.3. Cronbach's Alpha

The statistical packages like SPSS can be used to measure the reliability by measuring the reliability coefficients which is commonly known as Cronbach's Alpha (Abel Fattah, 2008). The value of Cronbach's Alpha ranges between 0-1. The reliability of the instrument and questions framed in the questionnaire are considered to be high when the value is higher. It can be predicted that Cronbach's Alpha can be measured for the entire scales implemented in the questionnaire.

Suppose that we measure a quantity which is a sum K component (K-items or testlets):

$$X = Y_1 + Y_2 + ... + Y_K \text{ Cronbach's } \alpha \text{ is defined as}$$

$$\alpha = \frac{K}{K-1}\left(1 - \frac{\sum_{i=1}^{K}\sigma_{Y_i}^2}{\sigma_X^2}\right)$$

where, σ_X^2 is the variance of the observed total test scores, and

$\sigma_{Y_i}^2$ the variance of component i for the current sample of persons. Develles (1991). If the items are scored 0 and 1, a shortcut formula is

$$\frac{K}{K-1}\left(1 - \frac{\sum_{i=1}^{K}P_iQ_i}{\sigma_X^2}\right) \text{ Cronbach LJ (1970)}$$

where, P_i is the proportion scoring 1 on item i, and

$Q_i = 1 - P_i$.

3.4. Chi-Square Test

Chi-Square test is commonly implemented for comparing the collected data with the desired data from the certain hypothesis. According to Mendel's laws, data comparison process is essential when there are only 8male participants in conditions where expected male participants are 10. Chi-Square test always has its concern over the null hypothesis which is determined by the researcher and it states that there are no certain specific differences between the expected and obtained data.

Chi square is derived from following formula:

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

$$O = \text{the frequencies observed}$$
$$E = \text{the frequencies expected}$$
$$\sum = \text{the 'sum of'}$$

3.5. Scope of the Study

The scope of the research is restricted in the Jazan province of Saudi Arabia.

3.6. Objective of the Study

1. To analyze the store patronage in the Jazan.

2. To identify and describe the related variables in store image.

3. To analyze the impact of current store patronage to the buying behavior of customer.

3.7. Hypothesis

H0: There is no association between store ambience and buying behavior of customer.
H1: There is association between store ambience and buying behavior of customer.

H0: There is no association between store convenience and buying behavior of customer.
H1: There is no association between store convenience and buying behavior of customer.

H0: There is no association between merchandise and buying behavior of customer.
H1: There is no association between merchandise and buying behavior of customer.

H0: There is no association between store promotion and buying behavior of customer.
H1: There is association between store promotion and buying behavior of customer.

H0: There is no association between store service and buying behavior of customer.
H1: There is association between store service and buying behavior of customer

3.8. Research Gap

There are several researches been made upon buying behavior and organized retail stores in the Kingdom of Saudi Arabia but none associate buying behavior with store patronage. This study is an effort to propose concept of store patronage and buying behavior of consumer of Saudi Arabia.

4. DATA ANALYSIS AND INTERPRETATION

Table 1
Reliability Analysis of the Customer's Perception of the Store

		Items	*Factor Loading*	*Cronbach's alpha*
	Total Number of Items = 23	[1] Store Interiors	0.93	0.91
Store Ambience	6	[2] Store Decor		0.89
		[3] Store Attractiveness		0.89
		[4] Store impression		0.95
		[5] Store Environment		0.92
		[6] Shopping Experience		0.91

		Items	Factor Loading	Cronbach's alpha
Store Convenience	6	[7] Time taken to travel store	0.91	0.90
		[8] Proximity of other store location		0.88
		[9] Footfall to the place of location		0.89
		[10] Store working hours		0.90
		[11] Store space availability		0.91
		[12] Availability of products		0.90
Merchandise	4	[13] Quality of Merchandise	0.91	0.91
		[14] Variety of Merchandise		0.90
		[15] Availability of Private Label Product		0.90
		[16] Availability of merchandise in different quantity		0.90
Store Promotion	3	[17] Promotional price tagging over the products having offers	0.91	0.90
		[18] Frequency of discounts offered		0.89
		[18] Availability of Special offer		0.88
Store Service	5	[19] Efficiency in billing	0.91	0.91
		[20] Availability of home delivery		0.90
		[21] Number of Point of Sales		0.89
		[22] Loyalty and rewards		0.88
		[23] Ease of exchange of products		0.90

From the above table no items are required to be deleted as the high alpha value reflects internal consistency and reliability.

Table 2
Significance with difference with type classification

	Items	F-Value	Sig.	Category
Store Ambience	[1] Store Interiors	4.01	0.004	I
	[2] Store Decor	7.79	0.004	I
	[3] Store Attractiveness	4.55	0.003	I
	[4] Store impression	5.71	0.009	I
	[5] Store Environment	8.89	0.003	I
	[6] Shopping Experience	0.33	0.07	II
Store Convenience	[7] Time taken to travel store	3.55	0.003	I
	[8] Proximity of other store location	1.22	0.09	II
	[9] Footfall to the place of location	0.10	1.10	II
	[10] Store working hours	0.13	0.001	I
	[11]Store space availability	10.11	0.001	I
	[12] Availability of products	0.33	0.05	I
Merchandise	[13] Quality of Merchandise	0.45	0.01	I
	[14] Variety of Merchandise	5.35	0.00	I
	[15] Availability of Private Label Product	2.11	0.46	II
	[16] Availability of merchandise in different quantity	1.8	0.000	I

	Items	F-Value	Sig.	Category
Store Promotion	[17] Promotional price tagging over the products having offers	1.99	0.04	II
	[18] Frequency of discounts offered	0.6	0.36	II
	[18] Availability of Special offer	1.33	0.01	I
Store Service	[19] Efficiency in billing	0.55	0.01	I
	[20] Availability of home delivery	28.9	0.22	II
	[21] Number of Point of Sales	11.11	0.65	II
	[22] Loyalty and rewards	2.21	0.70	II
	[23] Ease of exchange of products	0.51	0.02	II

From the above table two categories are created category I and category II. There are 14 items which fall the category I status. Category I is regarded as positive concurrence between store patronage and buying behavior of consumer. Whereas category II represents do not represent any positive concurrence. Hence these items are not related with the buying behavior of the consumer. Category II does not represent contribution to develop buying decision to store patronage. Again categories II are regarded as less important to the store patronage.

Table 3
Significance as compared to services and buying behavior

	F-Value	Sig (p)
Store Ambience	1.33	0.002
Store Convenience	2.21	0.000
Merchandise	1.01	0.003
Store Promotion	9.11	0.79
Store Service	11.11	0.65

Here in the table statically differences are found in Store promotion and Store Services. Here we can see that Store Promotion and Store Service has higher F value, Store Promotion (F = 9.11) whereas in Store Service (F = 11.11) which suggest the store fails to develop buying behavior as mentioned in the questionnaire. Larger the F-Value higher will the variance (Pallant, 2005).

Table 4
Hypothesis Testing and Outcome

	Sig (p)	Hypothesis	Null Hypothesis
Store Ambience	0.002	There is no association between store ambience and buying behavior of customer.	Rejected
Store Convenience	0.000	There is no association between store convenience and buying behavior of customer.	Rejected
Merchandise	0.003	There is no association between merchandise and buying behavior of customer.	Rejected
Store Promotion	0.79	There is no association between store promotion and buying behavior of customer.	Accepted
Store Service	0.65	There is association between store service and buying behavior of customer	Accepted

Table 4 represents the hypothesis testing and its outcome. As we can see the *p* value of store ambience is 0.002 which < than 0.05 so in this case null hypothesis will be rejected and we can say that store ambience has a impact on the buying behavior of the consumer. The *p* value of store convenience is 0.00 which is also < than 0.05 so null hypothesis is rejected and we can say that store convenience has a positive buying behavior on customer. The *p* value for merchandise is 0.003 which is < than 0.05 so null hypothesis is rejected and we can say that merchandise a positive association to consumer behavior. On the other hand the *p* value for store promotion is 0.79 which is > than 0.05 so null hypothesis is accepted and we it can be said that store promotion do not have positive association with the consumer behavior. The *p* value for store service is 0.65 which is > than 0.05 so the null hypothesis is accepted and it can be said that store service do not play a positive association with the consumer behavior.

5. CONCLUSION

Consumer buying behavior is totally influenced by the store patronage. Organized retail stores in Jazan are trying to analyze the buying pattern of the consumer and make changes in their store patron to influence buying behavior of the consumer. There are several factors which influence the buying decision of the consumer like store layout, store interiors, store infrastructure, availability of the products etc. The study conducted at Jazan taking into account the various factors associated with consumer buying decision are being mentioned in the study and the association in this context are examined. The result depicted the clear picture of the store patronage and its buying behavior. Category I and II are made based on the impact factor to the buying decision. Category I has a significant impact on the purchase decision whereas category II do not play any role. Five classes have been created based on the items mentioned on table 1. Based on the classes five hypotheses are proposed and examined for the association with the buying decision. Store Ambience, Store Convenience, Merchandise has a strong impact on developing the buying decision in the customer's whereas Store Promotion and Store Service do not contribute much to influence the buying decision.

6. RECOMMENDATIONS

1. Retailers should focus more on developing store patronage as a tool for buying behavior in consumer.

2. The retailers should focus more on the factors which develops consumer buying behavior.

3. Non essential factors which do not contribute in developing buying behavior should not be focused much.

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