

A STUDY ON CONSUMER PERCEPTION ON STORE CHOICE OF BRANDED GROCERY SUPERMARKET

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***Abstract:** Department stores once ruled the retailing industry. Consumers paid homage to this retailing giant by purchasing everything from clothing, furniture, household goods, and lawn furniture. Today's retail landscape has dramatically changed the way consumers shop and the products offered by department stores. Outlet for shopping is an integral choice set of today's modern customer. This study is intended to ascertain the impact of socioeconomic variables on store choice for grocery products. As a result, retailers' understanding of customers' store patronage behavior is essential. The study employed a descriptive research design. Respondents for this study were residents of Chennai, who by culture shop for their families especially for groceries. Questionnaire served as the study instrument. Copies were administered to the respondents. Respondents were drawn through a convenience sampling technique.*

I. INTRODUCTION

The Indian food and grocery retail sector is in a transformation mode for various reasons like strong macro-economic fundamentals and the changing socio-economic status. Consumer behavior becomes imperative in designing modern food and grocery retail formats based on the purchase patterns. Further it is important for modern formats and traditional formats to know what determines customer satisfaction. The decision to patronize a store usually starts with a set of characteristics or attributes that consumers consider important. Consumers use these attributes to determine which stores can cater to their needs. Patronage studies in the past have attempted to identify determinants of store choice in relation to attributes such as price, quality, and variety of merchandise, credit availability, return policies and well known brands. Previous studies have shown that consumers' perception on retail choice is influenced by factors such as store attributes, consumer attributes, psychological attributes etc (Grewal, Baker, Levy & Voss, 2003; Mittal & Mittal, 2008). Department stores once ruled the retailing industry. Consumers paid homage to this retailing giant by purchasing everything from clothing, furniture, household goods, and lawn furniture. Today's retail

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landscape has dramatically changed the way consumers shop and the products offered by department stores.

II. OBJECTIVE OF STUDY

H1: Store appearance has a positive effect on consumers' perception about the Branded grocery supermarket.

H2: Service quality has a positive effect on consumers' perception about the Branded grocery supermarket.

H3: Convenience of store has a positive effect on consumers' perception about the Branded grocery supermarket.

III. REVIEW OF LITERATURE

Store Appearance

Engel, Blackwell and Miniard (1995) air quality, lighting, layout and aisle width and shelf life are physical store attributes and dimension used to project store image and influence store choice.

Osman (1993), consumers' patronage behaviors towards a particular store depend on their image of that particular store. The more favorable image, the higher the valence of the store customers. Therefore, the store image can be used as a marketing tool.

Sinha P.K, Banerjee A and Uniyal D.P. (2002) Convenience and merchandise are the primary reasons behind choosing a store. Proximity of the store, store ambience and service being other reasons.

Sinha R. (2009) the study says situational factors may play a decisive role for the shoppers while shopping. Consumers' perception of outlets and preference do not result in patronizing of retail outlets.

Doyle and Fenwick (1974) store image as the consumer's evaluation of all salient aspects of the store as individually perceived and weighted. Several functional and psychological attributes of a store lead to make up the store personality.

Store image and satisfaction with the store is affected by the perceived store assortment The customer's perception towards the product quality and assortment are positively related to the patronage of a store. The store image is judged on the basis of the nature of discounts in the store (Grewal, Kent, Monroe & Krishnan, 1998).

Schiffman and Kanuk, (2008) Consumers have a perception of low overall prices of those stores that offer a small discount over a large number of items. So frequency of price advantage is stronger over the magnitude of price advantage

Corsten and Gruen (2003) explains the five responses of, buy item at another store; delay purchase; substitute – same brand; substitute – different brand; and do not purchase item when a product is not available.

Kucuk (2004) studied the in-store merchandising and store attractiveness factors affect consumers' brand and store patronage. So, the availability of the product is a very important variable in developing an overall image of a store.

Other Services Traditional retail stores have been providing certain extra facilities to the customers in order to have an increased level of satisfaction and thus retention of the customers. These facilities may be providing goods on credit, home delivery of goods or providing gap for bargaining.

Home delivery may be defined as when a customer orders desired products either at present or by telephone, the retailer dispatches them to the residence of the customer.

Choo, Jung and Pysarchik (2004) Indian consumers' attitude towards new products are changing significantly and this can increase their intention to shop in new retail formats such as supermarkets.

Ghosh P., Tripathi V. and Kumar A. (2010) the main factors which form the basis for customer to evaluate retail store are convenience & merchandise mix, store Atmospherics and Services.

Nathan, and Elsaghier, (2012) service quality has a positive effect on customer satisfaction which means that the higher quality of service attracts more customers who have bought back the desire and intention to recommend.

Sinha P. K, Banerjee A and Uniyal D.P. (2002) Grocery stores are chosen more on the basis of their proximity. Consumer durable stores are chosen clearly based on merchandise and personal referrals available with ambience slightly affecting choice.

Dalwadi (2010) consumers' perceptions towards stores get affected by demographic, situational and store variables when they make purchase decision. The study emphasizes that product range, store layout, shopping convenience; promotional schemes, product pricing, customer service, employee behavior, and store ambience significantly influence the customers. This paper provides crucial insights to people in organized retail business by identifying important variable like 1) Courteous Staff Members, 2) Customer Attention, 3) Offers and Discounts, 4) Comfort and Elegance, 5) Proximity, 6) Variety, 7) Speedy Service, 8) Assurance that must be considered while designing their operations.

BIG research's Consumer Intention & Actions (CIA) Survey in May 2011 surveyed 8,344 consumers nationwide. It revealed five important retail attributes that influence consumers' shopping habits.

Formats in Food Retailing

Parameters \ Types	Conventional Supermarket	Superstore	Hyper Market	Convenience Store	Hard Discounter
Size (sq. m)	400-1,000	1,000-5,000	5,000-30,000	200-400	500-1,500
Merchandise	extensive width and depth of assortment; average quality; manufacturer and store brands	full assortment of supermarket items, plus health and beauty aids and general merchandise	full selection of supermarket and drugstore items, and general merchandise; extensive width, and depth	medium width and low depth of assortment; average quality	medium width and low depth, heavy use of store brands (up to 90 %)
SKUs	20,000-30,000	30,000-40,000	40,000-150,000	1,000-3,000	700-1,500
Percentage foods	75 - 90%	60-80%	60-70 %	90%	80-90 %
Prices	average/competitive	competitive	competitive	average to above average/high	very low
Atmosphere & Services	average/good	average	average	average	low
Locations	city or neighbourhood	community shopping centre or isolated sites	community shopping centre or isolated sites	city or neighbourhood or highly frequented sites	neighbourhood or traffic-oriented
Promotions	use of newspapers, flyers, coupons	heavy use of newspapers, flyers, coupons	heavy use of newspapers, flyers, coupons	little to moderate	heavy use of newspapers & flyers



Figure 1: Formats in grocery retailing

- 1) **Price Matters:** The continuing recession and rising prices on consumer goods make consumers price sensitive.
- 2) **Location Matters:** Consumers are now declaring the importance of location when shopping. Inconvenience includes distance, amount of traffic, traffic lights for turning into the parking lot, size of the parking lot and convenience to other retailers.
- 3) **Change is an Essential Part of Success:** Change is an essential part of success. New concepts are required to keep a company fresh and exciting. Outlets, online, direct marketing, coupons and Groupon can all give a retailer a sense of excitement.
- 4) **The Most Important Employees are Front-line:** This means that it will be critical to encourage employees to have multiple sales for each consumer. Train the front-line employees well. Continual supervision, encouragement and mentoring are required.
- 5) **Treat Every Customer as if She is The CEO of the Company:** Treating consumers with common courtesy can be used as a competitive advantage.

- Consumer usage of grocery/supermarket traditional and emerging promotional methods; loyalty programs; and couponing.
- Consumer online purchasing, including food/grocery purchases; identifies online grocery shopping players and innovators; discusses the emerging “click and collect” in-store pickup trend; and drills into consumers online grocery shopping and research preferences.
- Consumer usage and usage frequency of social media and leading social media sites; their attitudes toward social media and how it influences their brand behavior; and the degree of influence social media, email marketing, and weekly flyers have on their grocery purchase decisions.
- Smart phone ownership trends; types of apps used; consumer usage and interest in mobile app features and benefits; and food retail mobile app leaders and innovators.
- Consumers’ referencing in-store advertising methods while shopping; in-store promotion and displays as purchase influencers; and mobile payments and digital wallet innovation.
- Consumer usage of shopper reward programs, including grocery store/supermarket rewards programs; loyalty programs as a grocery purchase influencer; use of supermarket loyalty/reward mobile app to redeem rewards/loyalty points; and grocery/supermarket loyalty program leaders.

IV. METHODOLOGY

Research Design: The research design is purely descriptive since most of the variables.

Population Description: The population of study consist consumers resident in the velachery like More Supermarket, Reliance Supermarket, and Spencer’s.

Sample Selection and Size: One hundred and fifty (150) elements of this population are used for the purpose of completing the instrument of study. They were obtained using cluster sampling technique that produced three (3) branded supermarkets within velachery like More Supermarket, Reliance Supermarket, and Spencer’s. From each supermarket, fifty (50) respondents were randomly obtained to arrive at a sample size of One hundred and fifty (150) respondents. The questionnaires were physically administered on the respondents.

Instrumentation: The instrument put to use for data collection is the multiple-choice questionnaire. The choice of this close-ended questionnaire was necessary because it generates higher response rate than its counterpart, the open-ended type. The instrument was put to reliability and validity tests through a pilot study to determine its suitability for data collection.

Procedure for Data Analysis: Out of 150 only 140 copies of the administered instrument were completely filled and returned, giving a success rate of 90 percent. Subsequently, the resulting data following the administration of the instrument was subjected to analysis through the use of Statistical Package for Social Sciences (SPSS) software.

V. EMPIRICAL RESULTS

Demographic Data of Respondents

Table 1
Demographic data

<i>Descriptive</i>		<i>Frequency</i>	<i>Percentage</i>
Gender	Male	75	53.58
	Female	65	46.42
	Total	140	100
Marital Status	Single	84	60
	Married	56	40
	Total	140	100
Highest level of education attained	Diploma	10	0.07
	First degree	30	0.22
	Post Graduate	100	0.28
	Total	140	100
Immediate Family Size	Four	18	12.8
	Three	82	58.7
	Two	40	10.7
Occupation	Total	140	100
	Student /Unemployed	85	34.1
	Public/ Private	25	10.0
	Self employed	88	35.3
Annual income	Total	51	20.5
	Less than 20,000	10	0.071
	20,000 - 40,000	40	0.285
	40,000- 60,000	52	0.374
	More than 60,000	38	0.270
Total	140	100	

Table 2
Consumer's patronage towards supermarket outlets for shopping groceries:

<i>Response Variable</i>	<i>Frequency</i>	<i>Percent</i>
Branded Supermarket	45	32.15
Local Supermarket	95	67.85
Total	140	100.0

Hypotheses Testing: Regression analysis was used to assess the relationship between customer perception as a dependent variable and store attributes as independent variables. Before conducting regression, multicollinearity and autocorrelation tests were undertaken, using variance inflation factor (VIF) technique and Durbin-Watson test. The results indicated that multicollinearity ($VIF < 10$) and autocorrelation ($2 < \text{Durbin-Watson} > 3$) was not a serious problem for this set of data. The results of the regression analysis are shown in Table 2.

Table 3
Regression Estimates

<i>Hypothesized</i>	<i>No. of Measures</i>	<i>Standard Error</i>	<i>Regression Coefficients</i>	<i>Hypothesis Supported</i>
Customer Perception is associated with				
H1: Store appearance	3	.019	.029	No
H2: Service quality	3	.109	.531***	Yes
H3: Convenience of store	3	.098	.251***	Yes

*** $p < .001$; ** $p < .01$, * $p < .05$

The results (Table 2) indicate that, customer perception was positively associated with store attributes such as service quality ($t = .531, p < .001$) and store conveniences ($t = .251, p < .001$), providing support for H2 and H3. So, there were no significant effects between customer perception and store appearance as hypothesized in H1. The store appearance is non significant effect because Indian consumers may have little interest in store atmospherics. Sinha and Banerjee's (2004) study in India shows that store convenience and customer services positively influence consumers store choices, entertainment, other facilities had a negative influence on consumer choice.

TEST OF HYPOTHESIS USING ONE-SAMPLE T-TEST

Table 4
One-sample test

<i>t</i>	<i>Degree of freedom</i>		<i>Sig. (2-tailed)</i>	<i>Mean difference</i>	<i>95% confidence interval of the difference</i>	
					<i>Lower</i>	<i>Upper</i>
Pricing attributes in shopping	22.2	140	.000	1.6210	1.501	1.720

Result show that $P < 0.000$ and thus H02 is rejected. It is concluded therefore that price of products will significantly influence the consumer's choice between a

supermarket and a Local supermarket. Tuli and Mookerjee, (2004) shows that Indian consumers were also found to be price sensitive and quality conscious

VI. CONCLUSION

Indian consumers are more concern about service quality, store convenience, product quality, price, location and availability of new products. Thus, the study provides insights on factors that could be important in managing customer Perception.

In Indian Context the store atmosphere is not be used as a competitive tool in supermarket retailing for the retailers suggested from the study. So, from the study it concluded that store convenience is a primarily important attributes in store choice towards grocery shopping.

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