



A Study on Factors Influencing Purchasing Decisions of Customers during Chaos in Organized Retail Stores

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Abstract

From decades understanding the consumer preference and their perception among retail sectors and the availability of various brand will significantly influence the satisfaction level of customers and they prefer repetitive purchase in the same retail stores. The study helps to understand the significant relationship between independent and dependent variables are identified to determine their influence on customer preference to choose a particular retail stores is addressed.

Research Methodology: The study is based on conclusive research design and it is descriptive in nature, wherein, primary data is gathered with the help of structured questionnaire consisting 30 questionnaires that includes all major factors of the variables and demographic factor of the individual respondents.

Sampling and Data Collection: Totally 100 individual customers of retail stores were chosen as respondents and the samples were selected by using the convenient sampling technique.

Results: Major finding of the study is consumer preference of choosing their own retail stores as they are loyal towards retail stores has a significant relationship with the independent variable like brand awareness, perceived quality, brand image, attitude, brand loyalty which influences the individual to prefer the same retail stores.

Keywords: Customer, Brand Preference, Retail Stores, Service, Awareness.

1. Introduction

In general, from past many decades customers tend to purchase any product to satisfy their needs and wants, wherein, they tend to invest a lot of time to analyze the requirement of the product in their day-to-day activity. Purchasing of any required product involves a lot of ground work which includes the required analysis of the product has the purchase can happen in various modes. Customers tend to purchase the product in various kinds of stores, wherein, they can have a physical evidence of the product before purchasing.

Organized retail is a form of shopping in which the customers tend to purchase the required product to satisfy their needs and wants. This way of shopping involves the use of technology and availability of varieties of product to check and compare about the product, in which they look at the product at the time of purchasing and feel the comparison by using availability of technology and can avail the varieties of the product under the single roof, wherein the availability of various options and also the store ambience is much more in the quality compared to the other form of retail store. Adding on further, this type of shopping method resembles the product by itself along with which the customers enable the benefits

of organized retail shopping by using technology and proper knowledge on the availability of the products.

Organized retail shopping will provide an opportunity for the customers to be at a single place and shop the required product to satisfy their needs, wherein, it helps to reduce the time wastage and create an opportunity to check the availability of the product and comparing the same with the other brand products online. Considering the major evolution of technology in the recent times, even the individual public are being more literate with better understanding about the technology tend to use organized retail stores for their product purchasing. Hence with the above reason many individuals tend to incline towards the organized retail stores rather than concentrating on other form of retail shopping.

This organized retail store does involve physical evidence about the product, where the customers tend to approach towards the product organized retail stores compare with the other product that are available in other form of retail stores, before making any purchasing decision. Adding on further, evolving technology has made the process of organized retail stores shopping easier, but in many of the cases customers tend to avoid purchasing in other form of retail stores cause of various reasons and prefer more of organized retail store. In the country like India many of them prefer purchasing the

products organized retail stores to satisfy their needs and wants of the customers.

2. Literature Review

Bartlett J.W (2019) ^[1], study reveals that individual are using the food product and their behavior on purchasing the food product are unique and depends on lots of factors. Customers tends to purchase the product organized retail or the unorganized retail stores based on the merit of the product. Ritu (2019) ^[2] this study reveals that female customers tends to prefer organized retail shopping because they enjoy doing shopping than in the unorganized retail stores shopping. The young generation are more often purchasing from organized retail because of the revolution in the technology among the youth population and they are able to use this technology for their well-being more than other age group category. Sharmila Pudaruth, *et al* (2019) ^[3], this study reveals that the male are less using the organized retails compare to the female and their behavior on purchasing the food product are unique and depends on lots of factors. Customers tends to purchase the product in organized retail based on the merit of the product. Priyank Azad (2016) ^[4], this study addresses the behavior of customers and also their intention towards purchase of any product to satisfy their needs and wants, wherein, they tend to invest lot of time to analyze the requirement of the product in their day to day activity. Lepper, *et al* (2018) ^[5], this study

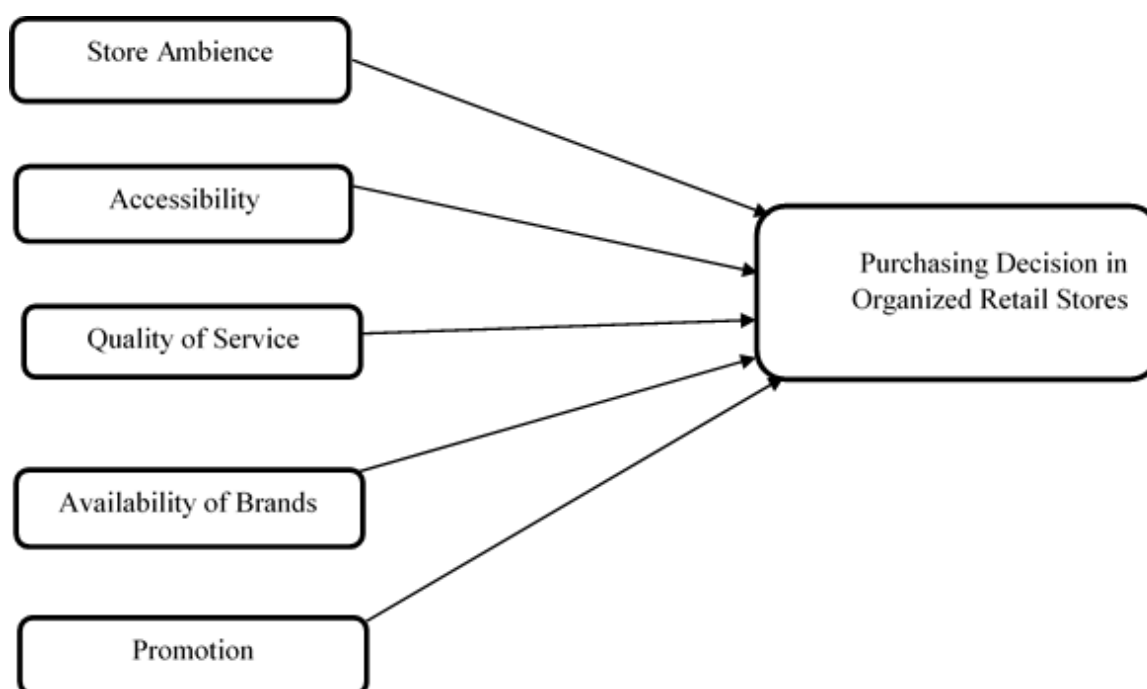
addresses the importance of organized retail which is more preferable by the youngster. There are increasing demand of in organized retail shopping because the variety of options for the consumers to choose and that to at a reasonable price and sometime even less price than the market. Hodge DR (2018) ^[6], addresses about the requirement of improvements in the technology and their mindset of approaching from the place where they are and the time as per their requirements, customers are more keen on organized retail shopping and on the other hand for tangibility issues of trust and others stuff some of them are very keen on purchasing the product in unorganized retail stores. Mohasin, *et al* (2018) ^[7], this study addresses the importance of unorganized retail stores shopping and also its significance of shopping involves the physical evidence of the product, in which they look at the product at the time of purchasing and feel the touch of the product while purchasing the same.

3. Research Design and Methodology

3.1. Objectives

- To determine the exogenous factors influencing customers to shift from unorganized to organized food retailing in Chaos.
- To analyse the impact of exogenous factors on purchasing decision in organized retail stores in Chaos.

3.2. Conceptual Model



Flow Chart 1: Working Model

3.3. Methodology

a) **Research Design:** In the proposed research work, conclusion based research is designed with the research type being the quantitative where in the collected data is analyzed by describing, i.e., descriptive analysis. This type of research will help in determining the normalization of data gathered and describing nature of data, examining the association among the variables as well as between the variables and drawing inferences through statistical analysis and the conclusions accordingly.

b) **Data Collection:** For the purpose of conducting the research both primary and secondary source of data is used. A survey was conducted to collect the data using a questionnaire in which the questions are formulated using the conceptual model and the review of the literature in order to satisfy the objectives framed for the research. Considering the pilot study as the base, the same questionnaire was finalized and the sample size of 113 respondents were chosen with the help of Cochran's formula. The data was collected during the period of April-May 2022.

Statistical Tools: Analysis of the study is carried out with the help of SPSS software, wherein, tools such as descriptive statistics, factor analysis, reliability and regression are used.

3.4. Hypothesis

H01: There is no statistical significance between variable ambience & purchasing decision in organized retail stores.

H02: There is no statistical significance between variable accessibility & purchasing decision in organized retail stores.

H03: There is no statistical significance between variable quality of service & purchasing decision in organized retail stores.

H04: There is no statistical significance between variable availability of brands & purchasing decision in organized retail stores.

H05: There is no statistical significance between variable promotion & purchasing decision in organized retail stores.

4. Data Analysis & Interpretation

4.1. Factor Analysis.

Source: Primary Data

SPSS Output

Table 1: Factor Analysis of Dependent Variable

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.713
Bartlett's Test of Sphericity	Approx. Chi-Square	1321.12
	df	03
	Sig.	.000

The above KMO & the sampling adequacy for each variable is determined as 0.713 & 0.642 states that the factor grouping of homogeneous factors is greater than that of 0.5 stating the grouping is valid enough to carry out the further process.

4.2. Factor Analysis of Independent Variable

Source: Primary Data

SPSS Output

Table 2: Factor Analysis of Independent Variable

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.642
Bartlett's Test of Sphericity	Approx. Chi-Square	5181.151
	df	08
	Sig.	.000

4.3. Reliability Results

Source: Primary Data

SPSS Output

Table 4: Reliability Statistics of Homogeneous Grouping

Factors	Cronbach's Constant	Number of Items
Ambience	.738	2
Accessibility	.886	5
Quality of Service	.711	4
Availability of Brands	.766	4
Promotion	.781	3
Purchasing Decision in Organized Retail Stores	.867	8

The above analysis states the value of 'Cronbach's Alpha' which helps to understand internal consistency related to

factor grouping. From the above table of reliability statistics, it shows that all the factors that are grouped in rotated component matrix is greater than 0.7 i.e., 70%, it can be stated that the homogenous grouping formed in rotated component matrix the factor grouping by overcoming or eliminating the underlying factors is valid & useful for the further analysis.

4.4. Regression Analysis Results

Source: Primary Data

SPSS Output

Table 5: Regression Analysis Result

Model	Std Coefficients (Beta)	T	Sig
Ambience	.870	4.299	.000
Accessibility	.688	3.673	.000
Quality of Service	.764	7.917	.000
Availability of Brands	.833	1.147	.001
Promotion	.645	15.802	.000

Dependent Variable: Purchasing Decision in Organized Retail Stores

4.5. Major Findings

- The above value of .000 states that the variable store ambience as the influence on variable customer purchasing decision in organized retail stores. Such that, first null hypothesis is rejected.
- The above value of .000 states that the variable customer's accessibility as the influence on variable customer purchasing decision in organized retail stores. Such that, second null hypothesis is rejected.
- The above value of .000 states that the variable quality of service offered by the retail stores as the influence on variable customer purchasing decision in organized retail stores. Such that, third null hypothesis is rejected.
- The above value of .001 states that the variable availability of various brands as the influence on variable customer purchasing decision in organized retail stores. Such that, fourth null hypothesis is rejected.
- The above value of .000 states that the variable availability of promotions of retail stores as the influence on variable customer purchasing decision in organized retail stores. Such that, fifth null hypothesis is rejected.

5. Conclusion

This study has helped to identify the various exogenous factors influencing the purchasing decision of the customers in the various retail stores that is in the organized retail stores over the unorganized retail stores. The findings of the study also demonstrates that, the key factors termed has exogenous factors has a significant impact on the customer purchase decision of food products in the organized retail store and reason for preferring organized retail stores are; Products are hygiene and fresh in organized retail store, Alternative products availability, Products offered by the organized retail stores are economical and they also avail various benefits, Product packaging is better than that of the unorganized retail store, Quick home delivery facilities provided the organized retail store and Location of the organized retail store, wherein the proximity of the stores to the customers. Hence the above has illustrated that, the key features have a significant impact on the customer purchase decision of the food products in the organized retail stores over the unorganized retail stores.

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