

A STUDY ON FACTORS INFLUENCING THE CONSUMER BUYING BEHAVIOR WITH REFERENCE TO ORGANIZED APPAREL RETAIL OUTLETS

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ABSTRACT

The Indian Retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organized retailing. Modern retail formats, such as hypermarkets, superstores, supermarkets, discount and convenience stores are widely present in the developed world, whereas such forms of retail outlets have only just begun to spread to developing countries in recent years in Bangalore. Organized retail provides consumers with a wider choice of products, lower prices, and a pleasant shopping environment. Store atmospherics plays an important role in choice of the stores. The objective of this study is to identify the store related factors that have an influence on the consumers' decision process. Structured questionnaires were administered for a sample size of 400 customers who visited the shopping mall. There are several dimensions in a retail store. Hence, PL-SEM model has been used and three factors have been identified from the factor loadings analysis. The three factors under different parameters are-External Cues, Atmospherics and Merchandise.

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1. INTRODUCTION

The retail garment market scenario in India has gained a strong position as the third most attractive apparel retail market after Brazil and China. The retail clothing market contributed to the second turnover of the retail trade in India.

The apparel retail market has managed to take advantage of modern management concepts that lead to a better product offer, better customer management and scientific techniques for managing the supply chain retail (Prasad, 2013). Apparel is expected to continue and experience greater retail penetration outside major urban groups and increased demand for branded products (Gharlegghi, 2013; Hasan & Mishra, 2015).

Retail stores create their own image in the minds of customers that have an impact on the purchases and perception of the products they carry from the stores (Wel et al., 2012; Ahmed & Mujeeb, 2017). They also have self-respect, firmly connected with their behaviour. The various elements of the store image have an effect on the result of the customers (Nell, 2017).

The rationale behind this study was to spot store image features, sector-specific and evaluate the power and significant effect of each attribute on buyer buying decision (Gomez & Fernandez, 2009; Diallo, 2012; Kumar, 2015). It also examined the effect of a range of demographic variables, on the buyer's evaluation of the different dimensions of the store perception (Cho & Workman, 2011; Devadas & Manohar, 2012; Mathur & Sanjivini, 2016).

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Retail industry has transformed in a span of a decade, from traditional Kirana store to new formats such as department stores, hypermarkets, speciality stores, and malls. Modern formats have proliferated in metros and subways (Saraswat et al. 2010; Vijalakshmi & Magesh, 2013; Singh et al., 2014). With rapid growth in the retail sector in the Indian market where it has reached the maturity phase, it has paved a way for the organised

retail sector. India has been ranked on the fourth position as the most attractive countries among the global markets. Retailing in India is still in nascent stage. Organized retail represented only 7% of the overall retail market in 2011-2012, and would reach 10.2% of the total retail sector in 2021-2022. Classification of store image components is presented on table 1.

Table 1. Classification of store image components

Component	Details
Price of merchandise	Low prices Competitive or non -competitive prices
Quality of merchandise	Good or poor quality of merchandise Stock brand names
Assortment of merchandise	Breadt hand depth of assortment Carries or not the brand the customer wants Carries or not elegant brands
Sales personnel	Attitude of sales personnel Knowledge of sales personnel Number of sales personnel Good or poor service
Location convenience	Location from home/work Access Good or poor location
Other convenience factors	Parking Hours store is open Convenience with regard to other stores Store lay-out with respect to convenience Convenience in general
Services	Credit Delivery Ease of return Self-service
Sales promotions	Special sales Stamps and other promotions Displays Symbols and colors
Advertising	Style and quality of advertising Media and vehicle used Reliability of advertising
Store atmosphere	Lay-out of store without respect to convenience External and internal décor of store Congestion Prestige of store Congeniality
Institutional	Reputation for fairness Conservative or modern
Clientele	Social class Self-image
Physical aspects	Facilities Architecture Shopping ease

Retail sector is alienated into organized and unorganized sectors. Unorganized retailing includes Kirana or Mom and Pop stores. These retailers do not follow the government taxation norms. Unorganized retail is stores administered by owners without technical and accounting standardization. Unorganised retail refers to the local kirana retailers, convenience stores, corner hardware stores, small pharmacies etc. It is a family run business. Retailers of these stores are not so qualified, lack experience and visibility.

2. LITERATURE REVIEW

1) Ghosh et al. (2010) in their document proposes to link the choice of the store, the choice of format and the

demographic variables of the consumer, through a hierarchical logistic choice model in which consumers first choose a format of store and then a private store within that format. Empirical analysis was used. The result of the study was the number of members in the family, income and employment hours that can be captured. In the short term (for example, one year), these variables can also be stable, and the temporal aspect of the model can be really ignored for these variables. The identified research gap was a better model

2) Gundala (2010) identified the image attributes of the store and assessed the strength and impact of each attribute on the purchase decision. It also analyzes the influence of demographic variables and on the consumer's assessment. Analysis was done using

ANOVA and F test and it was found that the t-values of the attributes were not significant at the values of 0.05 and 0.01. There was a significant correlation between the demographic variables and the various images attributes of the business. The findings assist retailers to know the impact of the store image and its relationship to store patronage in this volatile market.

3) Degeratu (2000) in his article addresses the determinants that affect consumer preferences for private brands. In this study it was found that four aspects, namely the image of the brand, promotion offers, design and the store exteriors and interiors affect consumer priority for private-level brands. In addition, the study revealed that demographic aspects the consumer's occupation and the social class of the consumer, have no effect on consumer purchasing behaviour when selecting private brands. The research gap focused only on private brands.

4) Narang (2011), the research was carried in the Tier II city. It included Indian youth and his goal was to recognize the role of psychographic characteristics in the selection of clothing stores. The methods of data collection consisted of in-depth interviews and group discussions of young people and retailers.

Both categories were determined by the environment, design, layout and accessibility to the newest designs and styles in the selection of the clothing store.

5) Rajput et al. (2012) the intention was to determine the problems related to the purchasing decision, based on the gender point of view. The aim was to assess the importance of demographic profile of customers who make the decision to buy the brand attire. The result indicated that, there is no significant difference in purchase costs, brand awareness and regularity of purchase between men and women.

6) Ragel and Nirushan (2016) in their study, he evaluated the factors that influence the impulse of consumer purchase in the supermarket environment. Quota sampling was used because the total sample size was evenly distributed to obtain a specific sample size for each supermarket. The convenience sampling technique was also used when the sponsor was already at the study site. The four external factors (store environment, store navigation, provider focus and promotion) with a positive regression coefficient indicate that they were statistically significant predictors of the study dependent variable (impulse buying behaviour). This study focused on evaluating factors associated with demographic factors, store characteristics and situational factors. Therefore, this study recommends that there is a scope for the researchers in future on factors that influence in stimulating the purchase of the consumer.

3. RESEARCH METHODOLOGY

3.1 Statement of the problem

Retail industry is emerging at a very faster pace and growing day by day. There is a heterogeneous group of customers in the city of Bangalore since it is a metropolitan city. As the population grows, customer expectations increase.

Retailers should know the tastes and preferences of the consumers, to maintain their competitive advantage. The characteristics of the consumer, various components of the retail store, the image of the store, the selection of the store are key areas and have a fundamental role in the success of the retail sale. The marketing mix associated with the components of the store image contribute to overall image of the store.

As a growing percentage of clothing buyers prefer retail stores in metropolitan areas and cities, most organized clothing retailers will grow. The sector witnesses the integration of new national and international actors. However, clothing retailers face many challenges when they create new points of sale: location, store format, price, marketing, personnel, etc. These decisions entail huge predetermined costs that hinder the recovery of the investment if an error occurs in the location or format of the store. Customers expect maximum benefit for the price they pay. It is challenging to identify the factors that would attract and also retain the customers. Hence, marketers should be aware of the factors which influence the buying decision process while shopping at organized outlets.

Since very less research has been done on the attributes of the store image and the consumer's purchasing behaviour. Therefore, this study seeks to collect data about the research question If relationship exists between the attributes of the store's image and the consumer's decision-making process.

3.2 Objectives of study

1. To explore the factors that influence the buying behavior of consumers while shopping of apparels in organized retail outlets,
2. To study the relationship between a stores' image and a consumer Satisfaction

3.3 Scope of the study

Proposed study is intended in order to take into account the attributes that influence consumer purchasing behaviour in organized retail apparel stores.

This study tried to discover and evaluate the relationship between store attributes and purchasing behaviour at the Shopping Malls Bangalore. It was important to assess the true drivers of shopping activities of the buyers. It also inspected the effect of a range of demographic variables like gender age and income on buyer,,s assessment of different store image attributes. The

present scope of the study was confined to organised clothing retail outlets.

4. RESEARCH DESIGN

1. Descriptive research design has been used in this study. It involves studying the consumer characteristics. A descriptive research methodology was adopted because the objective of the study was to provide a systematic & factual description of the store image dimensions having an influence on their purchase decisions.

2. Sources of Data Collection

i) Primary data: Primary data for this study has been gathered through the survey method.

The primary data was collected from the major apparel retail outlets in Bangalore, where respondents were customers who have finished their shopping in the store and ready to answer to the queries using the structured questionnaire.

ii) Secondary Data

Secondary data was composed from several consultancy and research organizations that on a regular basis develop and generate periodic reports on the retail sector in India, such as the retail details ICRIER, RNCOS, AT Kearney, BMI India Retail Report, Technopak, RAI, CII. Internet has been used to obtain relevant information for the study. The online libraries of Google, Google scholar, Ebsco, Springer and J-gate were also used to obtain relevant documentation for this purpose. Several books on market research, retail sales management, marketing management and consumer behaviour and professional journals were also used to obtain relevant information for the survey.

Sampling technique

The sample size corresponding to a population of 20,000 is 377 and for the population of 10,00,000 it is 384. Based on sq.ft and zone wise stratified random sample is used, the given below table showed the sample proportion drawn.

HYPOTHESIS:

- H_{a1} : There is relationship existing between Retail store and Overall Satisfaction of retailers consumers.
- H_{a2} : The relation between Retail store and Overall satisfaction is higher for the retailers who opted to purchase decision while compared to retailers who does not opt

5. DATA ANALYSIS AND INTERPRETATION

Impact of Product and Store Attributes on the consumer purchase decisions at the retail stores.

1. Product and Store based attributes (Table 2)

Table 2. Product and Store based Attributes

Product and Store based Attributes	Frequency	Percentage
Apparel factor	167	41.75
Brand	10	2.50
Celebrity	109	27.25
Color	83	20.75
Design	31	7.75
Visual	203	50.75
Product Sensitivity	32	8.00
Fabrication	48	12.00
Peer appreciation	55	13.75
Price	62	15.50
Social value	58	14.50
Touch	135	33.75
Apparel attribute	164	41.00
Accessories	43	10.75
Brand Image	113	28.25
Newness	116	29.00
Style	30	7.50
Apparel type	141	35.25
Celebrity Endorsed	161	40.25
Long Fashion Life Cycle	239	59.75
Premium Quality	19	4.75
Public Image Driving	111	27.75
Personalized apparel No	118	29.50
Yes	152	38.00
Factor of Store		
Brand to buy		
Customer Services		
Personalization		
Price		
Store Image		



Figure 1. Product and Store based Attributes

With reference to Product and Store based Attributes (Figure 1), apparel is the attractive factor that influences the customers to buy.

A) Apparel factor

Brand attained maximum response of 41.75%, Colour attained response of 27.25%, Design attained response of 20.75%, Visuals attained response of 7.75% while Celebrity attained the minimum response of 2.50%. From the analysis, it implies that majority of the customers are more concerned with the brand when they are purchasing from the stores.

1. Product Sensitivity

Fabric attained maximum response of 50.75%, Price attained the response of 12%, Social value attained the response of 13.75%, Touch attained the response of 15.50% while Peer appreciation attained the minimum response of 8.00%. Thus, it reveals that quality of fabric of the apparel is an important aspect that has an influence on the buying behaviour.

2. Apparel attribute

Newness attained maximum response of 41%, Accessories attained the response of 14.50%, Brand Image attained the response of 33.75%, while Style attained the minimum response of 10.75%.

3. Apparel type

Public Image Driving attained maximum response of 35.25%, Celebrity Endorsed attained the response of 28.25%, Long Fashion Life Cycle attained the response of 29%, while Premium Quality attained the minimum response of 7.50%. Hence, public image is the major factor in the apparel type that has an influence on the purchases.

4. Personalized apparel

Majority 59.75% were yes while 40.25% of respondents were No.

5. Factor of Store Brand to buy

Store Image attained maximum response of 38%, Price attained the response of 29.50%, Personalization attained the response of 27.75% while Customer Services attained the minimum response of 4.75%. Image of the store is the one of the reason for consumers to buy at the stores.

Objective1 To explore the factors that influence the buying behavior of consumers while shopping of apparels in organized retail outlets.

EFA recognizes primary factor structure identifying the purchasing factors of Retail stores attributes.

Factors identified are named as External Cues, Store Atmospherics and Merchandise.

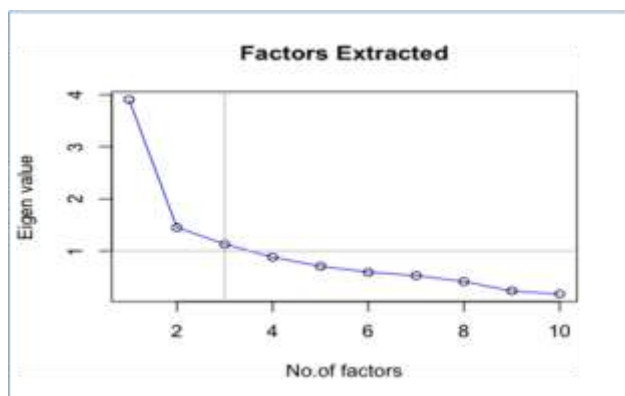


Figure 2. Store dimension factors extracted

The above graph (Figure 2) depicted the Eigen value in Y axis, number of factors in X axis. Based on Eigen value is more than 1, number of factors determined is 3. The three factors identified are External cues, Atmospherics, and Merchandise.

The above Graph showed (Figure 3) that 3 factors with factor loadings, between Store Atmospherics (ML2) and Merchandise (ML1) the relation is .40, which indicates that the variance is less between the factors and there is an association between the two.

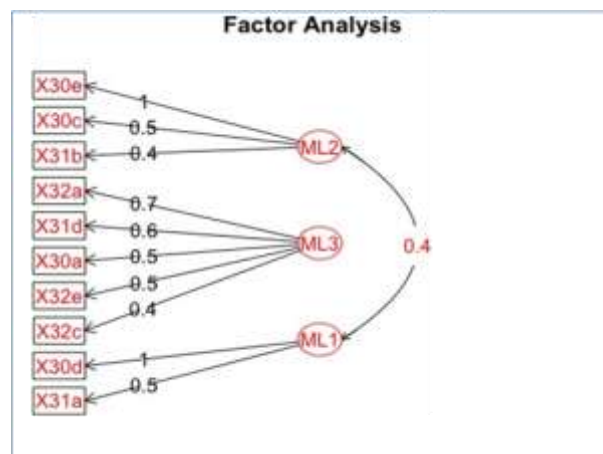


Figure 3. Factor loadings to indicate the relation between atmospherics and Merchandise

Since there is an association between the two they can be considered for the study.

6. SUMMARY OF FINDINGS, SUGGESTIONS & CONCLUSIONS

The hypotheses framed are to test the association between demographic factors and consumer purchase decisions. To explore the relationship between store image dimensions, store atmospherics on the consumer purchase decisions. Objectives of the study are presented on table 3.

Table 3. Objectives of the study

Objectives of the study	Variables Used	Research Hypothesis	Statistical Techniques	Outcome of the Analysis
Objective1	16 items [X30a through X32e] [Refer Descriptive stats]	Since model is exploratory, hypothesis is not required	Exploratory factor analysis Eigen > 1, KMO >.5, Estimation: ML Factor loadings >.4 Rotation: Oblimin	3 factor derived, factors names as External Cue, Atmospherics, and Merchandise. Total variance explained close to 50% [10 items are retained for further analysis]
To explore the factors that influence the buying behavior of consumers while shopping of apparels in organized retail outlets			Descriptive statistics and graphs	Describing the dimension response
			Reliability test	Cronbachalphaismore than.7dimension wise

2. The study reveals that, with reference to Product and store based attributes, in apparel factor brand is the most preferred attribute with a highest response of 41.75% followed by other attributes like colour, design, visual and the influence of celebrity endorsements.

- Also, the other attributes like fabrication was the most preferred attribute in product sensitivity with a response of 41.75%. Similarly in the apparel attribute newness of the merchandise at the store attained a highest response with 41%.

- Public Image driving was the driving force for purchase which attained a highest response of 35.25% as compared to celebrity endorsements, long fashion life cycle and premium quality.
- Majority of respondents i.e. 59.75% customers agree that they would like to purchase personalised apparels
- It was found from the study that, store image is the major factor which motivates respondents

to shop only at particular branded apparel stores.

Suggestions:

- 1) Physical aspects and Store atmospherics were rated as vital predictor of store choice. The effect was more than all the other relationships explored. It suggests the interior of store must be clean, structured and well maintained.
- 2) In addition, the design should be optimized to maximize convenience to customers. Aesthetic factors must be enhanced by the retailers to ensure marketers exceed customer expectations and retain them.

7. CONCLUSION

Physical aspects were the main forecaster of store choice. This underlines the notion that the physical environment of store must be hygienic, well-structured and maintained. The customers prefer shopping in a store which is considered safe and healthy. Looking at changing behavioural occurrence retailers need to adapt themselves to the changing demands of the customers.

Hence, it is important to understand the overall customer views regarding store image that influence customer store choice, purchase intention, store satisfaction and loyalty toward their ideal store. The store choice behaviour strongly influenced by location, convenience, store environments and reasonable price, merchandizing and sales assistance. Likewise, studies showed that purchase intention is stimulated by store image attributes like pleasant store environment and atmospheric indications, product variety and quality and price. However, complimentary store images make the customers revisit the store by augmenting store satisfaction.

They can offer good service like people greeter at the entrances, checkout facilities by minimising queue hassles.

Keeping this reality in mind, today's retailers are offering newer service dimensions to create unique shopping experiences for the customers. In the face of the increasing retail competition the marketing approach should assess consumer perception of store image for formulating effective marketing strategies to create and enhance appealing store image to influence the overall behavioural pattern of the customers".

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