An Analysis on the relationship between demographic factors and consumer store loyalty towards organized retail*

[1]Dr.K.Vidyakala, [2]J.Divyabharathi

[1]HOD, [2]Research Scholar, Department of Business Administration, PSGR Krishnammal College for Women, India.

Abstract - Retailing in India is gaining attention like never before. Organized retailing especially is creating fondness amongst Indian consumers drawing them into malls and trade areas in huge numbers. The current retailing industry continues to experience tremendous expansion; it is clearly evident that this growth has led to the increase in number of retail stores. In this scenario, it is necessary to study the consumers' buying behaviour and store loyalty towards organized retail store. This study attempts to examine the effect of demographic factors on the factors that affect consumer's loyalty towards organized retail stores.

Keywords: Store loyalty, organized retail, Consumer buying, Retail Buying.

I. INTRODUCTION

The concept of store loyalty is derived from brand loyalty concept which refers to the tendency to repeat purchase the same brand. At the store level, it refers to the tendency to repeat purchase at the same store for similar or other products (Osman, 1993). According to Jenkins (2010) and Gentry and Kalliny (2012), increasing a store's loyal customer base can provide opportunities for enhanced profitability and business sustainability. It requires less marketing effort and resources to keep a loyal customer than to acquire a new customer (Sreedhara, Babu & Nagendra, 2010), because the loyal customer is less price sensitive (Tsai, & Chang, 2010), and more willing to recommend company to other people, thus bringing into business new customers (Reichheld, 2003; Bove & Johnson, 2009; and Tsai, & Chang, 2010).

In recent years retailing landscape is experiencing a drastic. The retailing industry has converted from the domestic market-based traditional market format of the past to large scaled franchising and establishment of brand names (Kim et al., 2012). Economic growth, the dynamic demographic profile, access to technology and lifestyles of consumers are changing. This change has a greater influence on what the consumers buy and from whom they buy. The location or the place where they buy is changing; the shops are opened closed according to the convenience of the buyers.

II. REVIEW OF LITERATURE

Ravilochanan and Devi, (2012) identified the determinants affecting the customer's choice of organized retail store and their product preference among 400 respondents in five metropolitan cities. The study concluded that income and the young age customers have a favourable effect on the choice of the retail store, apart from occupation of the customers. The factor analysis brought to light that gender is a vital factor in the choice of retail trade. While men prefer to save time which is more possible in traditional outlets, women prefer to go to organized retail outlets.

Devi et al., (2013) investigated the influence of demographic, social and cultural factors on retail shopping behavior among 383 consumers in Coimbatore. The results of the study indicated that the demographic, social and cultural factors have a significant level of influence on the respondents shopping behavior. The study also concluded that consumers have started visiting retail stores since all products are available under one roof with door deliver facility which is of more convenience.

Vemanna and Roa, (2015) analysed the consumer buying behavior in organized retailing with a focus on product and price issues faced in retaining customer among 300 customers in Warangal. The study identified that consumer's level of education is significant predicator for choice of retail outlet. The study also provides understanding on the factors influencing buying behavior of customers with regard to product and price of retail outlets and also found that product-price promotions are important marketing activities which would act as stimulus to increase retailer's business.

Kumar and Devi, (2016) investigated the consumer buying behaviour and perception towards organised and conventional retail stores among 500 respondents in Andhra Pradesh. The findings of the study concluded that there is

no much difference between the consumers' perception towards organised and conventional retail stores in various aspects. The study also revealed that organised retail stores are more effective in maintaining the point of purchase (POP) advertisements & displays as well as in communicating their offers and discounts through advertisements, hoardings, pamphlets and SMSs than the conventional retail stores.

Objectives

- To analyse the consumer store loyalty towards organised retail.
- To analyse the impact of demographic factors of the respondents and factors affecting store loyalty.

III.   RESEARCH DESIGN

The study is descriptive in nature.

Population – Population includes people above 18 years of Coimbatore.

Sampling technique – Simple Random Sampling technique is used to select the sample.

Primary data collection was done through survey method using a well-structured questionnaire. The Sample Size of 150 respondents from the urban and rural areas in Coimbatore was chosen through simple random sampling method.

Tools used for analysis: Percentage analysis is used to explore the distribution in the demographic factors of the respondents, One-way ANOVA is used to analyze the impact of demographic factors on Store loyalty factors.

IV.   ANALYSIS AND INTERPRETATION

Demographic profile of the respondents

Among 403 respondents 54.6% are female, 32.8% are in the age group of 18-25 years, 60% are married, 56.3% are undergraduates, 46.4% are employed, 33.5% have a monthly income above Rs.50001, 66.3% are from nuclear family, 66.7% have 3-5 members in their family and 49.1% are from urban area.

Impact of Demographic factors on Store Loyalty

Table 1: Demographic factors on Atmospherics, Promotion, Price and Store personnel

Demographic factors	Store Atmospherics		Promotion by Store		Perceived Price		Store Personnel	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Gender	1.19	.089	**.171**	**.028**	1.90	.704	1.78	.686
Age	**9.18**	**.000**	**4.10**	**.003**	**3.93**	**.004**	**2.94**	**.020**
Marital status	1.98	.753	.675	.235	.757	.466	.704	.056
Educational Qualification	.669	.571	1.21	.304	**2.87**	**.036**	.610	.609
Occupation	**5.37**	**.000**	**3.60**	**.003**	**3.37**	**.005**	1.59	.161
Monthly Income	**3.50**	**.004**	**4.11**	**.001**	1.35	.241	**3.28**	**.006**
Nature of family	1.37	.376	1.75	.080	1.97	.208	.995	.593
Family size	**15.5**	**.000**	.854	.427	.637	.529	1.48	.228
Area of residence	.432	.649	**5.59**	**.004**	**4.45**	**.012**	.004	.996

Inference

From the above table it is inferred that age, occupation, monthly income and family size have a significant influence on store atmospherics. Gender, age, occupation, monthly income and area of residence have an influence on promotion by the store. There is a significant difference between age, educational qualification, occupation, area of residence and perceived price. Age and monthly income have a significant influence on store personnel's.

Table 2: Demographic factors on service quality, merchandise selection, merchandise quality and store image

Demographic factors	Service Quality		Merchandise Selection		Merchandise Quality		Store Image	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Gender	-.784	.883	.502	.389	**.065**	**.016**	**.579**	**.050**
Age	2.339	.055	**3.171**	**.014**	**2.926**	**.021**	**3.443**	**.009**
Marital status	**1.32**	**.020**	-.057	.604	.867	.049	.081	.116
Educational Qualification	.700	.552	1.843	.139	1.037	.376	1.532	.206
Occupation	1.637	.149	.924	.465	1.799	.112	1.043	.392

Monthly Income	**3.831**	**.002**	1.757	.121	**3.732**	**.003**	1.709	.131
Nature of family	1.33	.984	**1.14**	**.001**	**1.77**	**.015**	**.163**	**.007**
Family size	.473	.623	.046	.955	1.187	.306	.585	.557
Area of residence	.880	.416	.619	.539	2.721	.067	2.548	.080

Inference

Marital status and monthly income has a significant difference with Service quality. Age and nature of family have a significant influence on merchandise selection. There is a significant difference between age, monthly income and merchandise quality. Age and area of residence has an impact on store image. Age, occupation, monthly income and family size have an influence discounts/offers, loyalty cards.

V. SUGGESTIONS

The retailers must create a gender specific promotional plan to attract customers of both genders. Since gender has a significant influence on promotional activities done by the store. The services, offers, discounts and benefits must be communicated through SMS alerts, emails, pamphlets and banners, which may stimulate the purchase intention of customers. Sales personnel's must be trained on customer service aspects like business oriented interpersonal relationships with customers which includes courtesy, support, information, and advice. They also should be educated about offers which are to be communicated to the customers. Such information will stimulate consumers in buying products, which are not in their shopping list. Customers are looking for convenience in shopping, enjoyment and time saving. As the competition increases and customer becomes knowledgeable and demanding, the retailer needs to build competitive advantage. Therefore organized retailers shall try to make available all categories of products under one roof by providing 'one stop shop' model.

VI. CONCLUSION

The study focused on understanding the impact of demographic on factors affecting retail store loyalty.. The process of patronage starts with the consumer's choice of preference in store format, and then patronizing the particular store where they can save time, money and effort. Hence, retaining customer allegiance to a particular retail format is posed as a major task (Prasad, 2011). It is evident from the study that retail format preference is a hierarchical process which depends on demographic attributes and current needs of a consumer. Forces of globalization, consolidation and customization have significantly changed the traditional retail model Kumar (2014). Retailers at present are serious in analyzing these multiple challenges as they try to maximise their sales and achieve profit targets. The investigation of significant relationship between demographic profiles on store loyalty towards organized retail in the present study justified that the demographic factors influence the customers to be loyal to an organized retail store.

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