CHAPTER - 7
SYNTHESIS OF LEARNING, CONCLUSION AND SUGGESTIONS FOR FURTHER RESEARCH

7.1 Introduction
This chapter contains the summary of whole research. The major findings and recommendations emerging out of this study are outlined here. Some of the significant research contributions are listed to fill the gaps identified in the literature review. However, there are some limitations also; those have been incorporated in this chapter suggesting future areas of research.

The chapter also represents the synthesis of results obtained through survey. The various factors influencing shoppers’ format choice decision behaviour has been brought out in the context of Indian shopper by studying the urban Punjab. Moreover, shift in loyalties of customers among various formats have also been studied with the help of survey conducted in urban Punjab. The study has been conducted in Punjab because previous studies portray that spending in Punjab is higher than the national average, in almost every retail category.

7.2 Summary of the Research
The present study addresses to identify the various attributes influencing shoppers’ format choice through an empirical study conducted in the urban Punjab. The main focus of the study is to identify the factors influencing shoppers’ choice decision with regard to various retail formats and establishing relationship between: the product class at the store; occasion for buying; demographics and the store choice decision variables. The study has also brought out an important issue of changing loyalty of customers towards various store formats. An attempt has also been made in this research to identify the probable reason for this phenomenon with the help of survey results.

The self administered questionnaire was developed using variables identified on the basis of previous studies and industry experts. The questionnaire used dichotomous, multiple choice and five-point Likert scale type statements. The questionnaire was divided into three parts: Part I, Part II and Part III. Part I consists of ten questions connected to type of stores visited and respondent’s socio-economic characteristics. The responses were measured using nominal scale. Part II consists of 73 questions. First 65 questions in the Part are statements based on Likert Scale type to capture the
data relating to factors influencing store choice decision of the respondents. Question numbers 66 to 73 are again statement based to capture the data on factors which results in shifting loyalties of customers among different store formats. All the measurement items were created on the basis of related reviewed literature. Five-point scales were employed because previous research has suggested that a five-point scale is readily comprehensible to respondents and enable them to express their views. The last, Part III of the questionnaire consists of seven questions relating to the demographic profile of the respondents and responses were measured on the nominal scale.

The variable ‘Choice of Store Format’ is non metric, measured on nominal scale, categorizing based on product categories into Grocery/ Fruits and Vegetables, Apparel and Accessories, Consumer Durables, Life Style, Composite and any other which may be specified by the respondent during the collection of data. These are to predict the criterion variable. For identification of attributes affecting store choice decision and Loyalty of respondents towards store format 73 variables were studied. These variables are metric measured on Five-point Likert Scale. (Part II of the questionnaire).

Statements 15, 18, 20, 53, 60 and 61 are negative statements and have been given appropriate treatment before factor analysis.

A total of 471 respondents among various shoppers visiting retail outlets were covered for the survey from various parts of urban Punjab in the regions of Malwa, Majha and Doaba.

The data obtained from this survey were analyzed using the SPSS package. The Factor Analysis, Analysis of Variance (ANOVA), Chi Square test, t test and descriptive statistics have been used to bring out more reliable and meaningful results. Keeping in view the objectives of the study entire analysis was divided into three major parts. The entire study was classified into five major parts keeping in view the objectives of the study and hypotheses framed thereby: identifying the factors influencing shoppers’ format choice decision; shoppers’ format choice decision with reference to store formats based on various product categories; occasion for buying and shoppers’ format choice decision; influence of various demographics on shoppers format choice decision and factors affecting customer loyalty towards various retail
formats under study. All the hypotheses for this study were analyzed at 95 per cent confidence level.

The findings from the survey study organized for shoppers of urban Punjab were synthesized. A number of important findings are reported below.

- The model developed for attributes influencing shoppers’ format choice decision identifies fourteen factors: facilities, perceived quality, staff, ambience, value for money, specialty outlet, proximity, entertainment, service, display, convenience, store image, payment option and store appearance.

- Male respondents are more work oriented while shopping, thereby having greater affinity towards factors; proximity and service.

- The youngest age group (16-20) respondents are more influenced by factors; value for money, proximity and store appearance while making their store choice decision. Respondents between age group 21-25 are more attracted by entertainment factor; 26-35 years age group, are influenced by payment facilities; and respondents between 36-50 years, value quality. The respondents of age 50 and above do not show inclination towards any specific format as the respondents of this age group are not exposed to the upcoming retail formats.

- Respondents with comparatively lower literacy level are more influenced by ambience and proximity, whereas the respondents with higher literacy level are influenced by value for money, service, convenience and facilities.

- The income group of Rs. 20000-30000 consists of the respondents who are in the initial stages of their career, thus are more inclined towards the factor ‘value for money’. Further, surprisingly lowest income group Rs. 5000-10000, in the present research is more influenced by the factor ‘entertainment’. The probable reason for the same could be that the respondents in this income group enjoy their shopping resulting only in additional footfall to the store rather than being an active shopper.

- Unmarried respondents are more inclined towards specialty outlets, the reason being the single persons have ample time and comparatively better disposable income, and hence look for wider choice for buying decision and prefer ‘specialty outlets’ as final outcome.
• The mid-sized family respondents are uniquely inclined more towards entertainment and display. The probable inference could be drawn from these observations is that shoppers consider shopping as an outing opportunity as entertainment factor has evolved significantly amongst various family size categories under study. Moreover, as shopping is not the only reason for this category, therefore display is an important factor to enhance the visibility of products for quicker and easier selection, and overcomes the constraint of paucity of time for shopping, with entertainment as an important motive.

• Respondents from Majha belt (considered as the modern Punjab), give more importance to factors like ambience, entertainment and service, whereas respondents of Malwa belt being traditional by nature are more influenced by proximity to the store and flexibility in modes of payment.

• Shoppers still prefer neighbourhood stores more (42.3 per cent) followed by standalone stores (33.7 per cent) as compared to stores in mall (24 per cent) for buying food/ grocery and vegetable. The probable reason for the same could be the perishability and shelf life of the products in this category as people perceive and experience better quality at neighbourhood stores than organized retail outlets.

• Most of the respondents (56.6 per cent) in apparel and accessories category prefer to shop at stores in mall. This clearly indicated the increasing inclination of shoppers towards modern retail in this category.

• For consumer durable categories the shoppers are not specific about any particular format. The reason for the same may be that customers in this product category shop mostly for branded products and may like to buy from a store which reduces shoppers’ perceived risk in terms of financial and after sales service issues.

• In the life style product category majority (43.4 per cent) of the shopping happens in stores in mall and standalone stores (43.4 per cent each) evenly.

• Majority of the shoppers (53.3 per cent) are frequent shoppers for food and grocery items buying once in a week or twice in a week. However 26.9 per cent respondents prefer to visit once in a month in this category which may correspond to bulk buying of various grocery items required every month by the households. All other product categories stores viz. apparel and
accessories, consumer durables, lifestyle and composite are visited mostly once in a month by the shoppers.

- Almost all the respondents use their own conveyance to visit different store formats which may be either car or two-wheeler. Public transport of any form is very little popular among shoppers visiting these stores.
- The distance travelled by the shoppers to visit various stores is not an important factor across all product categories. The inference may be supported by the fact that most of the shoppers use their own conveyance for commuting and hence the distance travelled for shopping becomes immaterial.
- Majority of the shoppers visit food/grocery and vegetable stores, followed by composite stores for routine bulk shopping (59.6% and 50% respectively in this product category). However, apparel & accessories, consumer durables and lifestyle stores are visited by the shoppers for making purchases for their own requirements.
- Majority of the respondents in each category are actual buyers, visiting these various stores. This leaves an important lead for the retailers to take effective measures to enhance customer footfall as most of the customers visiting these stores can be converted into actual buyers.
- In food/grocery and vegetable segment majority of the customers (36.5% per cent) have association with the chosen store is more than two years older. In case of apparels and accessories it is less than one year, the reason may be buying clothing from retail stores is comparatively newer phenomenon to these shoppers. However, in case of consumer durable category the association of customer is very recent with stores, which may be due to the fact that most of the time either it is first time buying by the shopper or it happens to be a repeat purchase of the customer after a long gap in years.
- Most of the shoppers prefer to visit grocery/fruits and vegetable, apparel and accessories, lifestyle and composite stores on weekends. Nuclear families and the paucity of the time with working couples with an added advantage of mixing the shopping with fun and entertainment drives the shoppers to visit these stores preferably during weekends. However, as the buying of consumer durable goods is need-based activity, therefore majority of the shoppers (44.2% per cent) have no fixed day for making such purchases.
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- Shoppers spend least time in buying goods at food/ grocery and vegetable, consumer durable and composite stores. The reason for the same could be the nature of products to be bought at food and grocery store; and a lot of home work and pre-purchase information search by the shopper for buying at these stores reduces the decision making time. Hence quick shopping happens without spending much time at these formats. However in apparel and accessories segment shoppers comparatively spend more time for making selection and choice due to product trials and availability of variety at the store.

- Shoppers under varied situations ranging from routine bulk shopping, festive shopping, for gift, to kill boredom and to meet sudden exigencies at home prefer mostly composite stores. However, when it becomes the question of buying for self or special occasions like wedding and birthdays they prefer to visit the lifestyles stores most.

- Majority of the respondents prefer standalone stores for routine bulk shopping, for buying gifts, kill boredom, sudden emergencies and special occasion. However for festive shopping, most of the shoppers (47.2 per cent) drive to various stores in malls. The probable reason for the same could be that festive shopping is not only for buying products but also for fun, entertainment and family outing.

- Most of the shoppers visit various formats once in a month whether it is routine bulk shopping, buying for self, killing boredom or special occasion in family except for gift and sudden emergencies at home. For gift, frequency of visit is not important as it gets derived from the occasion for gift which may happen any time. Sudden emergencies are rare in the families, which is supported by the fact that these kind of visits happen once in a six months mostly.

- Car and two wheelers are the most preferred modes of transport for buying products on different occasions.

- For routine bulk shopping and buying for self, most of the shoppers prefer to travel less than 3 kilometers indicating time constraint with the shoppers. However for festive shopping majority of the shopper are ready to travel a little more (up to 5 kilometers). An interesting observation could be made
from the above graph is that for buying gifts and to kill boredom people prefer to visit stores which are not very far off from their places i.e. less than 2 kilometers.

- Most of the shoppers visit various retail formats for actually buying the products, irrespective of the occasion for which they are buying.
- For routine bulk shopping most of the shoppers (34.4 per cent) are associated with stores since longer i.e. more than 2 years. However, for entertainment and festive shopping, association is comparatively very recent i.e. 1 to 2 years. Amazingly for buying gifts and special occasions the customers’ association is less than 1 year, indicating that shoppers are getting attracted towards the recent formats being launched by various retailers for these occasions.
- Most of the respondents for routine bulk shopping, festive shopping and buying for self, prefer to visit stores on weekends. However, for gift, killing boredom, sudden exigencies and special occasions buying, there is no specific day on which shoppers drive to various retail formats.
- Most of the customers spend less than 2 hours at store while shopping for different occasions. However for killing boredom and special occasion buying shoppers spend almost 2 hours in a store.
- Both male (39.5 per cent) and female (37.2 per cent) respondents mostly prefer to visit composite stores as compared to other single category product store. For choice of food/ grocery and vegetable store formats there is not much difference among male and female respondents (21.4 per cent and 23.3 per cent respectively), as it is daily need based and very frequent activity. However the research indicates that male respondents (18.7 per cent) visit apparel and accessories stores more than their female (11.6 per cent) counterparts, but in lifestyle category female (17.4 per cent) are more frequent shoppers than male shoppers (10.7 per cent).
- Majority of the shoppers across all age groups prefer to visit composite stores for their shopping requirements. However, if we look at the food/ grocery and vegetable segment most of the shoppers of 26 years plus age, indicating shopping in this category as a family oriented activity. A large part of the respondents among various age groups are less than 35 years of age who are visiting apparel and accessories category store. Lifestyle category stores are
popular most among shoppers of age groups less than 25 years. This gives an important indication to various marketers in the retail to segment and design their products and promotion schemes to allure the target customers in respective product category stores.

- Across all product category stores most of the visiting shoppers are well literate. This inference can enable retailers to decide their media mix and promotional strategy for better reach to the customers.

- The most preferred destination among the shoppers across all income groups is composite store, where they can shop for more than one product category under one roof. The probable reason could be the changing demographics of Indian shoppers have lead to increased population with working couples having nuclear family. Though their family incomes have risen but paucity of time and availability of better disposable income encourages them to buy various products in a single trip to market.

- Irrespective of the occupation of respondents the composite store has emerged as the first choice of shoppers. However, second on the list is food/ grocery and vegetable category visited mostly by business persons, employees and housewives. An interesting observation is made that agriculturist drive mostly to apparel and accessories stores supporting the change happening in the living standard of agriculturist. Lifestyle category stores are an obvious choice of housewives and students as revealed in the study.

- Both married and unmarried shoppers (41.7per cent and 35.1per cent respectively) composite stores are the most preferred destinations. However more married respondents (27.1per cent) visit food/ grocery and vegetable stores vis a vis unmarried (19.8per cent) shoppers who prefer to visit lifestyle stores.

- Though composite stores and food/ grocery and vegetable stores remain the most preferred format among all family size categories, but the apparel and accessories segments is more desired by the shoppers having smallest family sizes. Also it may be observed from the other graph that consumer durables and lifestyle stores are more preferred destinations among families having larger family sizes.
Contrary to the various findings of the study if we look at region-wise format choice behaviour of shoppers’, Majha shows altogether different set of results. In Majha, the most preferred destination is lifestyle stores (31.3 per cent), followed by composite stores (24.0 per cent) and consumer durable stores (22.9 per cent). This observation clearly indicates and supports the fact that Majha is an upcoming Modern Punjab, whereas Malwa and Doaba are traditional segments of Punjab.

Various store choice decision variables under present study have significant association with the store format.

All the store choice decision variables under study have significant association with occasion for buying except the variable length of association of the shopper with the retail format.

All the demographic variables under study have significant association with the store format, except Age and Educational Qualification of the respondent.

Store loyalty of both male respondents (mean score 4.10 at a scale of 5) and female shoppers (mean score 3.85) are mostly influenced by the discounts offered at various retail stores followed by prices of the products (mean score 4.03 and 3.85 respectively for male and female shoppers) at various retail formats. Hence, shift in customer loyalties is more prone to the discounts available and product prices at the different store formats.

There is a significant difference among male and female respondents regarding change of store due to personal relations, change of store if prices are better elsewhere, change of store if more discounts are offered elsewhere and change of store if free home delivery is provided. Whereas, there is no significant difference among male and female respondents regarding changing a store if better quality of same product is found, change of store if there is easier payment option, change of store if similar store opens nearby and change of store if friends and/or family desires.
7.3 Model Suggested for Shoppers’ Preferences for Store Choice Decision

![Figure 7.1](image)

7.4 Insight Gained from the Study

Given the retail scenario which seems to be driven more by euphoria evidenced by the fact that the new expansions are adaptations of western formats fetching moderate to lukewarm success, there is growing need to evaluate the true drivers of shopping behavior in Indian context. To a large section of the customers, the new formats are not perceived to add enough value, except novelty, (Sinha et. al., 2003). Therefore, rolling out successful formats for Indian shoppers and to enable marketers come up
with a strategy which may aim at profit with delight, the study finds the following insights

- Indian consumer behaves differently while making store choice decision related to different product categories and the factors influencing this decision may be quite different for different retail store formats. In food/grocery and vegetable product category consumer spend a little time in the store, hence ambience at the store becomes irrelevant to the shopper but quality and freshness of the product are important factors. Customer is not willing to pay additional for any of the facilities and ambience offered by the retailers.

- In apparel and accessories segment customer seeks more ambience, variety and service as shoppers spend more time while shopping at these formats.

- In consumer durable segment any particular format is not dominating as most of the purchases happen for branded products. Hence, lot of pre purchase information, assistance to the shopper in deciding brand, price and after sales service become important factors as customer do not spend much time at these store while buying products.

- Lifestyle stores draws attention of the shoppers on account of facilities and ambience. The shoppers may not be very price sensitive at these stores but definitely look for wider brand spread and variety and spends considerable time while shopping.

- Composite stores means stores having more than one product category under one roof is most popular among Indian shoppers across the board.

- Shoppers are influenced by different choice decision variables while shopping for different occasions. Routine bulk shopping, festive shopping, buying for self, gift and purchases for special occasions like wedding and birthday may drive shoppers to different retail formats even for buying in the same product category.

- Demographics of the shopper play an important role while choosing a store. Moreover these demographics not only vary from state to state in the country but there are regional variations on socio-economic factors within the state also.

- Customers shift their loyalties among different retail store formats when they are offered better discounts and better prices. However, proximity and
recommendations from friends and relatives are not very influencing factors for customers to shift their loyalties.

7.5 Recommendation of the Study
There is enormous scope for the international and national players in retailing industry to get a larger pie of the Indian shoppers’ shopping basket as the share of organized retail is very small as compared to the total retail market size of India. However, diversity of India and rapid changes happening across the nation in terms of urbanisation, increasing young population, increase in working number of working women and hence working couples topped up by increasing disposable income with this class poses a greater challenge to understand the shoppers’ needs. The retailers need to manage the increasing expectations of Indian shopper without any additional cost to the shopper. Based on the study following specific recommendations to the marketers may drive the shopper to emerging formats in a rapidly evolving market, India.

- Indian shopper is not like plain vanilla offer for everybody. Each customer segment has to be understood differently and marketers have to position their stores in such a way that customers are attracted to relevant formats where the factors influencing their store choice decisions are highlighted to attract shoppers.

- Indian shopper is very passionate about the facilities, ambience, convenience, service and store appearance but at the same time very price sensitive and looks for a good bargain. He/she wants to be pampered by the retailer while at the store but is not ready to pay any additional price for the same. Hence, value for money sandwiched by the atmospherics at the store may be an excellent marketing strategy to bring the shoppers to stores.

- The marketers need to align their strategies to the different occasions for which shoppers are buying. India being the country of festivals and Indians, traditionally being more active in shopping during festive seasons marketers need to design their marketing strategies to benefit most from this occasion. Also shoppers have expanded spending plans during special occasions, most importantly; weddings, exclusive formats may be rolled out with special themes.
In today’s competitive environment it becomes imperative not only to attract customers to the store but retaining shoppers for repeat purchase and building long term associations. Customer loyalty cards; offering special discounts, prices, exclusively reserved parking, dedicated sales person on the floor and special check-out counters will enhance the customer loyalty. It is very well said that retaining an existing customer is much cheaper and profitable than bringing on a new customer on the board.

7.6 Implication of the Study
The empirical research was carried out for the retail format choice behaviour of urban Punjab. However, the research finding can be generalized for the Indian shopper as the similarities and diversities in the demographics of shoppers in Punjab may be used for the Indian consumer at large. The validated conceptual framework derived from this study can be adopted for any of the product category in retail industry which not only prevailing in the Punjab but retail formats rolled or being rolled out across the nation.

7.7 Limitations of the Study
Though the study was done covering the major part of the urban Punjab shoppers, it was unable to cover all the retail store formats prevailing in the area under research. The respondents were reluctant to share their opinions, specifically in big cities due to paucity of time and attitude.

The secondary data relating to Indian retail industry used for the research is based on industry reports as no authenticated source for providing data was available to the researcher.

Due to the evolving nature of market where the drivers of the choice of old formats are still dominant, the customers may experience more the new formats in future and hence there might be a change in the set of variables that drive store choices.

7.8. Suggestions for Future Research
The study covers the major product categories in retail sector, similar studied can be conducted for the other product categories in the retail sector like, jewellery, books and magazines, music, food services etc.
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The more focused studies could be done individually in the major product categories like apparel and accessories, consumer durables and lifestyle categories to get a better understanding of the shoppers. Entire research may be extended by adding/replacing the variables included in this study and the study may be taken with a larger sample for understanding the Indian shopper in more meaningful way.

7.9. Conclusion
The study adds to the existing literature on this critical and less studied area of Indian shoppers’ retail format choice behaviour with specific objectives to identification of factors influencing store choice decision and customer loyalty towards various retail formats. This study provides insight to the retailers in dynamic and evolving Indian market. This study also serves as a guide to the marketers to roll out successful formats meeting customer needs and expectations with a motto, “Profit with Delight”. Depending on this study a conceptual framework has been developed which shows inter-linkages of all valid variables, which are considered as true contribution for this study.