CHAPTER: 2

REVIEW OF LITERATURE

2.1 LITERATURE REVIEW:

In this chapter, a brief study of major research work conducted on the subject has been presented. Attempt has been done to have a look at the major research work conducted across the world. Some commendable studies have been found with reference to purchasing pattern of urban people in retail markets. The review of major research work on the subject matter based on broad factors is as follows:

**Socio-economic factors:**

Celik, A. and Ceylan, M. (2010) studied the effects of socio-economic factors on the consumption of milk, yoghurt, and cheese in Turkey. People living in rural and urban areas experience different socioeconomic conditions, which should affect their consumer behaviour. Interviews are conducted with 191 households and collected data are evaluated using multiple correspondence analysis. The results of the evaluations showed that there are socio-economical differences between urban and rural populations in terms of age, education, occupation and income, which affect their consumption behaviour. The rural consumers generally consume raw milk. The urban consumers, on the other hand, consume pasteurized milk and have higher incomes compared with the
rural consumers and have a mid-level to university education. It seemed that urban customers preferred to spend more.

Mathur, N. (2010) has conducted a study on the emerging new middle class of India and its shopping patterns. Contemporary society in India is marked by the growing importance of consumer culture, fuelled by the rise of disposable incomes in the hands of a huge middle class and increasing availability of a large variety of commodities in the open market, including a growing number of shopping malls. The author found India’s ‘new middle class’ as an agency of consumption, engaged in a process which seems to be jeopardising long held ideals of self-sufficiency, self-reliance and anti-materialism. After the economic liberalisation of the 1990s, consumer goods appear to have become a crucial basis for redefining status distinctions in Indian society and for negotiating interpersonal and inter-communal relationships within the seemingly adversative categories of tradition and modernity.

Rajagopalan, R. and Heitmeyer, J. (2005) studied the level of involvement of Asian-Indian consumers residing in the US when purchasing Indian ethnic apparel and contemporary American clothing at different levels of acculturation. Data were gathered by a questionnaire administered to 254 Asian-Indian consumers from the southeastern United States. The results show that low levels of acculturation among Asian-Indians did result in a higher level of involvement in Indian ethnic apparel. Consumers who were moderately acculturated to western culture were less involved in Indian ethnic apparel but became increasingly involved as they became more acculturated to the US culture. In conclusion, Asian-Indians, who were new to the US, may try to identify with the new culture leading to a decline in involvement with Indian ethnic apparel.
Williams, T. (2002) investigated on social class, income and gender effects on the importance of utilitarian and subjective evaluative decision criteria over a variety of products considered more and less socially significant. Variations in attitude, motivation and value orientations associated with differences in occupational opportunities and demands, childhood socialization patterns and educational influences may lead consumers to vary in many of their purchase behaviors across social classes. It was found here that social class is a significant predictor of evaluative criterion importance for a number of products. The influence was moderated by the objectivity of the criterion and the social sensitivity of the product. Because of its link to choice limitation in decision making, income was expected to be an influence on evaluative criteria.

Dholakia et al (1995) have studied the retail store shopping pattern of married males in India. Social and demographic changes are putting pressures on traditional gender roles in the house-hold. Reports on the role of married males based on a large-scale survey of upscale households suggest that males in married households are responsible for shopping activities in varying degrees. The level of shopping responsibility is a function of the spouse's occupation as well as the type of goods to be purchased. Responsibility for grocery shopping is limited among married males (about 15 per cent claim primary responsibility) but the ones who are responsible express the most enlightened attitudes about shopping and report the greatest degree of enjoyment with shopping at the supermarket. The perceptions of alternative shopping methods such as store, catalogue and computer shopping suggest that store shopping is more fun, satisfying and rewarding. Because of these hedonic components, store shopping is likely to remain popular in the near future.
Demographic factors:

Khare, A. (2014) examined the affect of consumer susceptibility to interpersonal influence and demographics on ecologically conscious consumer behaviour. Data were collected through mall intercept technique in six cities across India. The scales were applicable in Indian context. Factor analysis revealed two factors for scale: ecologically conscious purchase behaviour and green product attitudes. Normative, informative influence of consumers’ susceptibility to interpersonal influence and income were predictors to ecologically conscious purchase behaviour. Normative influence emerged as predictor to green attitudes.

Family purchase decision making at the bottom of the pyramid is dynamic, heterogeneous and an evolving process that can be influenced by contextual macro-environmental constraints (Chikweche et al., 2012). Because established perceptions of family purchase decision making are primarily drawn from western markets, this Zimbabwean study aims to provide a contrasting perspective. Qualitative data collection methods were used to conduct the research. Key findings include the identification of changing and multiple family buying models, which are influenced by the constraints consumers face at the bottom of pyramid, as well as the distinct roles of children, which differ from those common in developed western countries. The study provides insights on the importance of understanding family purchase decision making at the bottom of pyramid and the importance of adapting the marketing mix elements such as promotion strategies to suit the challenges faced by these consumers.

Marketers in emerging economies are just beginning to experience the influence of children in family purchases. India has seen remarkable shifts in the marketplace triggered by sharp changes in the lifestyle patterns and radical media revolution. Chaudhary, M. and Gupta, A. (2012) have identified and ranked the different influence tactics used by
children and to examine whether there is a difference in perception of parent and child with respect to the use of different influence tactics. Through structured questionnaires, a survey was conducted on children and their parents. Statistical analysis suggested that the most common influence strategy used by children in this age-group is persuasion strategy, followed by emotional and bargaining strategies. As per the tests conducted, there were not many significant differences found in the perception of parent and child regarding the use of the different influence tactics.

Prasad, C. J. and Aryasari, A. R. (2011) made a detailed study on effect of shoppers' demographic, geographic and psychographic dimensions in terms of format choice behaviour in the fast growing Indian food and grocery retailing. By applying mall intercept survey method using structured questionnaire in twin cities of Andhra Pradesh, they found that shoppers’ age, gender, occupation, education, monthly household income, family size and distance travelled to store have significant association with retail format choice decisions. The choice decisions are also varied among shoppers’ demographic attributes. The findings from shoppers' psychographic dimensions like values, lifestyle factors and shopping orientations resulted in segmentation of food and grocery retail consumers into hedonic, utilitarian, autonomous, conventional and socialization type.

Meneely et al. (2009) examined the changes in consumers' food retail behaviour with regard to the demographic variable of age, based on the older population. This paper focuses on food shoppers aged over 60 years living independently in Northern Ireland. The retail geography in Northern Ireland has changed and whilst affecting all consumers has impacted to a greater degree on older consumers. This and the fact that the over 60 age group is increasing demographically illustrate why this
consumer segment is worthy of greater consideration. A quantitative methodological approach is employed and data are collected using a consumer questionnaire. The results show that as age increases older consumers' retail buying and food-related behaviour changes. A decline in patronage of multiple retailers is evident as age increases; as is consumers' perceived value of multi-purchase promotions and nutritional confidence. Alongside increasing age there is an apparent increase in the use of local shops, the enjoyment gained from shopping, the difficulty experienced in accessing food retail sites and the problems experienced when cooking.

Michon et al (2008) have explored on how the shopping mall environment influences the shopping experience and approach behaviour of female fashion shoppers. Female shoppers were first clustered along the fashion orientation of the stores they patronize. Shoppers' response and behaviour was modeled in an invariant multigroup latent structural path analysis. Participants were probed on their shopping activities, shopping mall perception, product perception, shopping value and approach behaviour toward the mall. They concluded in their study that a favourable perception of the mall atmosphere elicits a positive perception of the merchandise offering and triggers hedonic shopping experiences. The effect of the mall environment, mediated by product perception, significantly impacts the shopping objectives of middle-of-the-road female fashion shoppers. Mall atmospherics has no or little effect on the utilitarian value of low- or high-fashion oriented shoppers.

**Youth customers:**

In their study, Mohan et al (2013) tried to explore the process by which four store environment (i.e.- music, light, employee, and layout) and two individual characteristics (i.e. shopping enjoyment tendency and
impulse buying tendency) influence impulse buying behavior of people through positive and negative effect, and urge to buy impulsively. Primary data was collected by a structured questionnaire from 733 respondents in a mall survey conducted in Chennai. In the structural model, the authors found that store environment drove impulse buying through positive affect and urge. Results also showed that the personality variables influenced impulse buying through positive affect and urge. They suggest that the store managers need to focus on enhancing friendliness of store employees, playing appropriate music, designing proper layouts and having well-lit stores to encourage impulse buying.

Paulo et al (2013) have examined the influence of marketing-controlled external motivators of impulse buying behaviour of snack foods in cafeterias among young students. Youth forms a major chunk of buying in snacks. On a sample of 200 young consumers data was collected about their impulse buying behaviour in cafeterias. The results showed that there is not a unique profile of impulse buying behaviour and that young consumers can be effectively segmented in groups according to their impulsive buying behaviour of snack foods using the factors revealed in the exploratory factor analysis. A new segment of health/nutrition-conscientious impulsive consumers was uncovered and characterized.

Srinivasan, S. R. and Srivastava, R. K. (2010) examined and analyzed the aspects of experimental marketing, both from the marketer's as well as the consumer's point of view. They delved into the issue of how to create and implement experiences in retail segment. The generation Y has a distinct personality and will behave differently in malls. They are usually independent at an early age and are willing to spend more to get their own definition of value for money. After collecting response from 200 youth, the authors concluded that retailers
should work on the environmental elements to increase satisfaction and encourage the return of shoppers. Retailers and mall developers should provide consumers with more favourable offers and a positive shopping experience based on ‘visual’ merchandising, that is, sight, sound, taste, smell and touch. Overall, it is suggested that shopping malls should try to create a niche experiential approach.

Arslan et al. (2010) in their research tried to explore the reasons behind attractiveness of shopping malls for young consumers in Turkey and then to determine the attractiveness factors of malls for this segment from the consumers' perspective. They carried out a survey of 621 young consumers in three shopping malls in Turkey. For a general evaluation of the data, factor analysis was applied. Their study revealed five mall attractiveness factors from the young Turkish consumers' perspective: retail environment, comfort conditions, socializing in a secure environment, accessibility and leisure. The importance of all these factors for this segment was evaluated with a comparative analysis with the findings of many other studies, analyzing the similar issues in relation to different cultures. Identifying mall attractiveness factors for young consumers gives a better understanding about patronage motives than when it is applied to the market as a whole.

Roy, S. and Goswami, P. (2007) studied the frequent clothing purchase behavior of undergraduate urban college-goers of India aged 18-23 years and empirically prove the value-psychographic traits-clothing purchase behavior hierarchy. A stratified systematic sample of 275 respondents was used to test the hierarchy. The List of Values scale was submitted to exploratory factor analysis with principal components analysis and varimax rotation. Confirmatory factor analysis was used to validate exploratory factor analysis results. Next, structural equation modeling with maximum likelihood estimation was used to empirically
prove value-psychographic traits-clothing of the urban Indian college-goers. The study finds that exploratory factor analysis of the List of Values scale yielded two dimensions- outer-directed values and inner-directed values. Outer-directed values influenced the psychographic traits fashion-consciousness and innovativeness positively, while fashion-consciousness and innovativeness positively influenced clothing purchase frequency. Therefore, value-psychographic traits-clothing hierarchy is empirically proved with the help of structural equation modeling process.

**Urban retailing:**

Penney, U. and Prior, C. (2014) explored the perception and attitudes of urban retail consumers in the UK towards local food. Four focus groups were conducted with participants from UK. A pre-focus group questionnaire was issued to participants to gather demographic data and to provide participants with the making local food work definition of local food. Following on from the focus groups, participants were emailed to enquire whether they had any additional comments to provide. The results revealed that despite urban consumer interest in local food, this did not necessarily translate in to purchase behaviour. Convenience of the one-stop offered by supermarkets along with availability, price and food labelling were found to be key barriers to the purchase of local food. Alternatively, key drivers were identified as freshness, health benefits and improved quality.

Retailers' new product acceptance in base of pyramid markets is crucial to marketers in this segment. Alur, S. and Schoormans, J. (2013) have tried to develop propositions for research on factors that affect retailers in new product introduction. The propositions also aim to make a distinction between urban and rural base of pyramid markets. The authors have explained how various factors influencing retailing differ in urban
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and rural contexts. The authors found exogenous and endogenous factors. Exogenous factors relate to store trading area, competitive environment, shopper characteristics and product diversity. The endogenous factors include store atmosphere, assortment and shelf space allocation, price and promotion. The differences across rural and urban base of pyramid markets are highlighted for each proposition.

Sun and Guohua, (2004) explored rural and urban consumers in an emerging retail market like China. They presented empirical evidence about the impacts of economic development on consumer lifestyles. Chinese rural and urban consumers were found to be statistically different in terms of their attitudes toward the whole marketing mix - product price, brand names, promotions and distribution. Possibly as a result of these disparate attitudes, rural and urban consumers were found to use different products to reflect the improvement of their living standards. All of these previous differences might be due to the fact that rural and urban Chinese consumers have different needs, as indicated by the words they chose to describe their ideal image. These lifestyle differences reveal huge marketing potentials for MNCs and other foreign investors, who will ultimately move into China's relatively untapped rural regions for marketing opportunities.

Clarke, I. (2000) has focused on the changing nature of retail competition and the way it affects local consumer choice in the UK grocery sector. The author has linked vertical market power (relative to suppliers) and multiple retailers’ ability to compete horizontally (relative to other retailers) in a given trading locality, and argues that this interaction has fundamentally altered the nature of competition. The increase in retail power that has resulted has served to redefine local consumer choice. Smaller retailers are disadvantaged by this shift because
it has directly affected the store and product choices of consumer groups depending on their relative mobility.

A study by Smith, M. (1999), urban versus suburban shopping environments presents unique opportunities and challenges for retailers. The study was conducted in a major metropolitan area which addresses shopping behaviour, intentions, retail satisfaction and its antecedents between urban resident shoppers and suburban resident shoppers. Retailers in both urban and suburban locations attempt to both attract outshoppers and retain their hold on shoppers in their immediate trade areas. To this end, it is incumbent on retailers to understand the dynamics underlying consumers’ decisions to shop in urban versus suburban retailing settings. This is especially important for consumer shopping behavior during the December holiday selling season which accounts for a disproportionate share of many retailers’ yearly revenues and profits.

Wilson et al. (1994) had explored antecedents of individual influence in organizational retail decisions made by buying centers. The authors have proposed a two-step model whereby individual influence is a function of decision-specific variables such as expertise, interest and personal stake in the decision. The decision-specific variables are affected, in turn, by the demographic characteristics and psychological traits of the individual. Such traits are highly significant. They also propose a new method which improves on past research; this method allows for the assessment of influence as it is manifested in buying centre decision making. Their two-step model has been generally supported based on the path analysis results.

**Indian retail factors:**

Khare, A. and Rakesh, S. (2010) have directed the research at retailers with stores in the malls and deciphering their opinions about
what generates consumer traffic and profits in malls. They found that the retailers’ selection of malls is driven by the business potential offered by malls. The findings demonstrate that an assortment of factors is responsible for mall traffic. These may be categorised under entertainment facilities, services, ambience and mall management. Retailers’ perceptions regarding productivity of the mall are significant in enticing them to open stores. From the retailers’ perspective, the malls which convey suitable ambience and housing variety of stores are considered lucrative business venues. The absence of emotional or intangible elements in a shopping centre directly affects its performance.

Rajagopal, S. (2010) has tried to study how consumers’ decision-making styles shift towards shopping at malls as well as street markets in Mexico. Street markets in developing countries constitute an integral part of the local economy as well as exhibiting the ethnic image of the habitat, which continues to function even in growing cities. Based on exploratory data and a theoretical model of consumer decision-making styles, the results have shown that there are various economic and marketplace ambience-related factors that affect the consumer decision towards shopping. It is observed from the results that shoppers spend more money in each visit to the large shopping malls owing to the planned shopping agenda without higher perceived risk as compared to street markets. Inclination towards buying familiar brands in large shopping malls also helps customers in purchasing goods of higher value as compared to other categories of shopping malls.

Rajagopal, S. (2009) has tried to examine the impact of growing congestion of shopping malls in urban areas on shopping convenience and shopping behaviour. Shopping malls contribute to business more significantly than traditional markets, which are viewed as a simple convergence of supply and demand. Shopping malls attract buyers and
sellers, providing enough time to make choices as well as a recreational means of shopping. However, competition between malls, congestion of markets and traditional shopping centers has led mall developers and management to consider alternative methods to build excitement in customers. Based on the survey of urban shoppers, the study analyses the cognitive attributes of the shoppers towards attractiveness of shopping malls and intensity of shopping. The results of the study reveal that ambience of shopping malls, assortment of stores, sales promotions and comparative economic gains in the malls attract higher customer traffic to the malls.

Michon et al (2007) have studied on how the shopping mall environment impacts on hedonic and utilitarian shopping experiences, and approach behaviour of fashion leaders and followers. Fashion shoppers' response and behaviour was modelled in an invariant multigroup latent structural path analysis. More than 300 usable questionnaires were acquired from a mall intercept in a regional urban middleclass shopping centre in Canada. Participants were probed on their attitude about fashion, perception of the shopping mall, present mood, shopping value and approach behaviour toward the mall. It was concluded that the mall environment directly influences fashion leaders' hedonic shopping experience and approach behaviour. Fashion followers' hedonic shopping experience may be mood driven, while that of fashion leaders' is triggered by higher involvement cognitive processing.

Kwok et al. (2006) studied the brand preferences and brand choices among urban Chinese consumers. The authors reviewed, updated, and extended the understanding of country-of-origin effects in China. This involves examining the nature and extent of the country-of-origin effect amongst urban Chinese consumers and the impact of country-of-origin on actual purchase behaviour. A questionnaire was used to collect
information from 432 Shanghai consumers. It was found that Chinese consumers generally say they prefer to buy local Chinese grocery brands. They also believe it is important to buy local brands for a range of Chinese-style and Western-style product categories; however, the stated preference for Chinese brands was generally not reflected in actual purchase behaviour.

Ellis, K. and Uncles, M. (1991) have explored the role of private labels in consumer choice by considering two issues in retail- do private labels affect the way people buy within a store, and do they affect the way people choose between stores? The revealed behaviour of consumers is studied, both descriptively and using a very general model of behaviour. Some examples are presented which show that within a store, the way consumers buy private labels is similar to the way they buy brands, and that for the buying of a product at different stores, consumers patronize stores with private labels in much the same way as stores without them.

**Online retailing:**

Tingchi et al. (2013) studied how three factors i.e.- perceived benefits, perceived risk, and trust influence Chinese consumers' online group buying organized by institutional initiators. In total, 578 valid samples were collected by researchers via an online survey. Multiple regressions were used to test the research model. The results of the data analysis have shown that three perceived benefits (i.e. price benefit, convenience benefit, and recreational benefit) and three factors that together represent trust of the initiator (i.e. perceived reputation, structural assurance, and website trustworthiness) significantly positively influence consumers' attitudes toward online group buying.
Urban environment has impact on service quality perception. Nisco, A. and Warnaby, D. (2013) analyzed the influence of three factors i.e. physical design, space layout and functionality, and store external appearance which are the physical components of the urban environment on consumers' perceptions of service quality and behavioural intentions. They referred to intention as desire to stay and repatronage. In a survey done across shopping street Italy, they found that physical space functionality along with store appearance provides signals upon which the customers base their perception of service quality provided in the shopping street. They also found that service quality inferences, consecutively, are able to affect desire to stay and repatronage intentions.

Santos, J. and Ribeiro, J. (2012) have investigated the main characteristics, buying habits, motivations, influences, and overall satisfaction of Portuguese online consumers of wine, as well as to assess whether this market segment can be considered a niche. Through a survey conducted in Portuguese online shop using questionnaire having questions about consumers’ socio-demographic characteristics, motivations, buying habits and factors influencing online buying behaviour, the authors have inferred that the online wine market can be considered a niche in Portugal. As the authors’ empirical work shows, this segment is mainly composed of young, male, well-educated, high-income consumers who buy wine online from home often less than once a month. They are motivated by convenience, a wider selection of wines, availability, and price. If customer desires and preferences can be identified, consumer characteristics and behaviour can be a powerful source of market.

Rajagopal, S. (2011) analyzed the impact of audio media advertisements on urban commuters towards buying behaviour in retail stores and attempts to determine the role of radio advertising on
dissemination of information on the sales promotions. The impact of radio advertisements on the store choice and buying preferences are analyzed based on empirical investigation. The results revealed that shopping behaviour of urban consumer at retail stores in response to radio advertisements is highly influenced by the physical, cognitive and economic variables. Radio advertisements propagating promotional messages on sales of products have quick response to the supermarkets and department stores. This study revealed that advantage shopping at retail stores in response to radio advertisements is highly influenced by the physical, cognitive and economic variables.
REFERENCES:


