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RESEARCH METHODS AND DESIGN

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RESEARCH METHODS AND DESIGN

2.1. Introduction

This chapter introduces overall research design of the study which includes the methodology adopted for carrying out the research study and various phases of research. This study has been conducted with prime objective of identifying the consumers’ Perception, Preferences and the Attitude towards organized and unorganized retail formats and suggests various marketing strategies to retailers’ for enhancing the sales and satisfying the needs of the consumers. Although, a number of techniques are available for collecting primary information from consumers. Well-structured questionnaire has been designed and used as prime survey instrument for data collection. The questionnaire is designed in such a way to addresses the issue of reliability of information by reducing and eliminating differences.

2.2. Phases of Research

The complete research process was carried out in the following three phases:

*Phase I: Understanding the Existing Perspectives*

Phase I of the study explores the existing literature on current status of organized and unorganized retailing which has been evaluated using various parameters and simultaneously analyzing the factors that contribute towards the growth of organized and unorganized retailing in Bangalore. In depth literature review on overall retail scenario; consumers perspective including features of retailing and consumers’ perception, preferences and attitude has been undertaken.
**Phase II: Assessment of Consumers' Perspective**

Phase II of this research involves designing of a well-structured questionnaire to assess consumer's preferences towards organized and unorganized retail formats. The questionnaire for consumers’ for emerging retail formats lays emphasis on demographic profile of respondents, emerging retail formats and their merchandise shopping preferences from different unorganized and organized retail formats. Finally it covers the purpose of visit and prospects of unorganized and organized retailing in India. The questionnaire has been designed after extensive literature review and validated through discussions with academicians.

**Phase III: Developing a Strategic Framework**

Finally, in the last stage of this study an endeavor has been made to synthesize the consumers’ Preferences towards organized and unorganized retail formats. In this phase, data collected with the help of questionnaires have been analyzed and outcomes have been presented effectively. On the basis of outcomes, a framework has been developed on consumer’s preferences towards organized and unorganized retail formats. Finally this framework is useful for retailers to understand the consumers’ needs and to satisfy them and it is going to be equally useful for consumers to choose a retail format according to product and store attributes and type of goods to be purchased.

**2.3. Research Design**

In order to satisfy the objectives of the research, the study employs both exploratory and descriptive research design. Exploratory research design has been used to generate basic knowledge on recent trends in the retail sector. For analyzing the consumers point of view; descriptive research design has been used. Exploratory research is to provide insight into, and an understanding of the problem confronting in it. This has its primary objective the provision of insight into confronting the researcher. The descriptive research data is collected from the respondents with help of cross section study.
2.4. Data Collection

For the purpose of carrying out this study both primary as well as secondary data have been used. Quantitative data collection method is adopted in order to gain rich insights that can help formulating successful marketing strategies.

Survey method

Qualitative data: A depth interview planned as a means of collecting qualitative information from respondents.

Quantitative Data: Structured direct survey method was employed. A well structured questionnaire with fixed alternative questions that require the respondents to select from a predetermined set of responses is developed circulated to the respondents.

Retail consumers have been chosen by using convenient judgmental sampling method for the purpose of carrying out the survey, 300 respondents response is elicited with questionnaires. Questionnaires were distributed to the urban consumers from different geographical clusters of Bangalore city. The secondary data has been used for analyzing the trends and overall retail Scenario in Bangalore city and Indian retailing.

Mode of Administration: survey questionnaire was administered to the respondents while they were coming out of the retail outlets after shopping.

2.5. Questionnaire Design

In the process of designing a fully structured questionnaire, utmost care has been taken in order to gather relevant and accurate information from the respondents, numerous literatures from both marketing and social science received gave lot of input while developing the questionnaire. Also established (tested and verified) for reliability and validity.
Details of the Questionnaire or Content of Questionnaire

The consumers' questionnaire has been divided into various sections covering all the important aspects of consumer's, perception, preferences and attitude. Section A covers perception towards organized and unorganized retail formats. It contains questions related to consumer perception on place (3 items), promotion (6 items), price (4 items), commitment (3 items) and convenient (3 items). Section B covers the preference towards organized and unorganized retail outlets. It contains questions related to consumer preference towards merchandise (5 items), additional service (5 items). Section C covers attitude towards organized and unorganized retail outlets. The questions related to consumers attitude towards shopping enjoyment (3 items), quality (3 items), environment (3 items), alternative change (4 items), complaint handling (4 items), employee behavior (5 items), store features (10 items). It is indicating the reliability of the scales used the alpha value when tested for reliability was found significant as follows from 0.880 to 0.908.

Section D includes factors influence shopping preferences from different retail formats. It covers factors consider while shopping in organized and unorganized retail outlets such as variety of products available (very narrow, average, wide range), merchandise management (low, moderate, good), Location Reasonable, Exchange of products (not available, less available, available), Credit facilities (not available, less available, available), Offers and Discount Schemes (less attractive, attractive, highly attractive), overall service (poor, satisfactory, good), nature of advertising and sales promotion (less attractive, attractive, highly attractive), Availability of attractive Brands (less attractive, attractive, highly attractive), Overall Image (less attractive, attractive, highly attractive), customer Relationships Management (Poor, better, satisfactory).

Section E includes time spend for purchase at organize and unorganized retail outlets. Section F includes frequency of purchase in organized and unorganized retail outlets. Section G contains mode of payment. Section H contains preference like,
groceries, clothes, accessories and jewellery, etc, purchase in organized and unorganized. Last section contains: Demographic profile (age, income, occupation, qualification, use of credit cards for purchase). This study presents the detailed analysis of each question. The scoring of information collected from the respondents has been compiled in Excel format according to standardized manuals of statistical tests. Finally, data has been analyzed using SPSS (20.0 Version). Both set of organized and unorganized retail format questionnaire has been added in the appendix.

**Pilot survey:** A pilot study to establish the face validity of the survey instrument was carried out. The survey was conduct before the main survey in order to get the feel of the consumer response and to get the feedback to improve the questionnaire in terms of clarity, content and convenience in answering to the respondents. The researcher has identified 150 expert consumers during the past work while developing a research paper (Ramesh and Gangadharaiyah, 2011) and the same group of consumers agreed to take part in the final survey. Hence with these 150 consumers the pilot study was carried out conducting an in-depth interview for nearly one and a half hour in the residence of the respondents over a span of 30 days.

During the pilot survey the respondents were given with the perception, preference and attitude towards organized and unorganized retail outlets are collected from numerous respondents. Respondents have opined that various factors are influencing on consumer buying preference.

**Expert Opinion Survey**

In the second phase of determining the consumer, literature on organized and unorganized retailing focus on consumer perception, preference and attitude on organized and unorganized retail formats. Few experts in order to get their expert opinion about determinants of consumer preference. These 5 experts identified for the expert opinion survey are the eminent scholars and professors experts with more than 15-20 years experience from the areas of social science (gender studies), marketing, consumer
behavior, retailing, corporate strategy (with focus on retailing). The experts were
conducted and only after the experts' showed willingness to take part in the survey the
meeting time and the researcher conducted them and briefed the researcher work along
with the objectives before handling over the questionnaire and beginning the discussion.
Instruction was provided to select only those major empowerment determinant (outlet of
10 determinant provided) which they consider as the most appropriate one based on their
vast experience and expertise. Apart from this the discussion of the expert with the
researcher lasted for more than 20 minutes by the researcher. Important suggestions and
comments were noted down and are implemented while developing the questionnaire for
the consumers.

2.6. Measurement and Scaling Procedures

Consumer preference towards organized and unorganized retailing comparative
interval scaling such as five point Likert scaling is used. Some of the scales are used with
a slight modification on the size of the scale and the reliability test was conducted and
found reliable to suite Indian retail context. Also little item reduction is provided along
with testing the reliability. In order to the respondents scale size is uniformly maintained
as between 1-5 where 1 indicates strongly disagree and 5 donates strongly agree. The
tested for reliability was found to be significant 0.880 to 0.908.

2.7. Reliability Estimates

Reliability refers to the degree to which the scale produces consistent results if
repeated measures are made. In other words, reliability tests the extent to which measures
are free from the random error.

Likert type five point nominal scales are used to measure the variables in the
study. One of the most widely used approaches to measure to what extent each item
measures some aspect of the constructed measured by the entire scale is by Coefficient
Alpha or Cronbach’s Alpha.
As suggested by Malhotra (2007) this co-efficient varies from 0 to 1 and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability. Reliability estimates of various variables used in the study are as under.

Cronbach’s Alpha for the customer perception towards place component in organized and unorganized retail format was found to be 0.899. Alpha for the customer perception towards promotion in retail format was found to be 0.903. Alpha for the customer perception towards price in retail format was found to be 0.902. Alpha for the customer perception towards commitment in retail format was found to be 0.880. Alpha for the customer perception towards resistance to change in retail format was found to be 0.896. Alpha for the customer perception towards alternative change in retail format was found to be 0.903.

Cronbach’s Alpha for the combined preference component scale is found to be merchandise 0.894 and service component 0.904.

Cronbach’s Alpha for the customer attitude towards shopping enjoyment in retail format was found to be 0.893. Alpha for the customer attitude towards environment in retail format was found to be 0.905. Alpha for the customer attitude towards quality in retail format was found to be 0.908. Alpha for the customer attitude towards convenient or complement in retail format was found to be 0.900. Alpha for the customer attitude towards complaint handling in retail format was found to be 0.898. Alpha for the customer attitude towards employee behavior in retail format was found to be 0.904. Alpha for the customer attitude towards store features in retail format was found to be 0.906. Alpha for the quality was found to be 0.908 indicating the high significance and reliability (Table 1).

Data Validation and Reliability

The questionnaires developed have been pre-tested and validated through face validity as it was sent to a carefully selected sample of experts and it also has a
sufficiently good reliability score. Question (Component) wise reliability index is given in Table 1. The results reveals that the internal consistency based on the inter item correlation is quite good in all the sections and varies from 0.880 to 0.908.

Table 1. Reliability Statistics for Consumers’ Questionnaire

<table>
<thead>
<tr>
<th>Component</th>
<th>No of items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchandise</td>
<td>5</td>
<td>0.894</td>
</tr>
<tr>
<td>Additional Service</td>
<td>4</td>
<td>0.904</td>
</tr>
<tr>
<td>Place</td>
<td>3</td>
<td>0.899</td>
</tr>
<tr>
<td>Promotion</td>
<td>3</td>
<td>0.903</td>
</tr>
<tr>
<td>Price</td>
<td>6</td>
<td>0.902</td>
</tr>
<tr>
<td>Commitment</td>
<td>4</td>
<td>0.880</td>
</tr>
<tr>
<td>Alternative Change</td>
<td>3</td>
<td>0.903</td>
</tr>
<tr>
<td>Enjoyment</td>
<td>3</td>
<td>0.893</td>
</tr>
<tr>
<td>Store Environment/Ambience</td>
<td>3</td>
<td>0.905</td>
</tr>
<tr>
<td>Quality</td>
<td>3</td>
<td>0.908</td>
</tr>
<tr>
<td>Convenient/ Complement</td>
<td>4</td>
<td>0.900</td>
</tr>
<tr>
<td>Complaint handling</td>
<td>3</td>
<td>0.898</td>
</tr>
<tr>
<td>Employee Behavior</td>
<td>5</td>
<td>0.904</td>
</tr>
<tr>
<td>Store Features/ Attributes</td>
<td>10</td>
<td>0.906</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59</strong></td>
<td><strong>12.599</strong></td>
</tr>
</tbody>
</table>

2.8. Sample Process and Sample Size

Bangalore, the state capital of Karnataka state is renewed as ‘silicon city’ of India. The city being the hub of major IT and BT companies enjoys the well built infrastructure the city well connected with rail, road and air transport facilities to major part of the country. The total population of the city is recorded as 57,01,45 (census2001) and as per the study estimation of IISC(2007), the population of the city is around 70,00,000. Women comprises 47% of this total population indicating as almost equal gender distribution in the city (Wikipedia, 2010). The target population of urban respondents and they prefer to buy at organized and unorganized retail outlets. After reviewing literature
related to the target population study. The researcher has decided to confine the study impact of organized and unorganized retailing on consumer buying preference. The population comprised unorganized and organized retail outlets respondents.

2.9. Sampling Procedure and Techniques

As discussed previously, retail sector comprises of organized and unorganized retail formats (definition provided in chapter 1). In order to study both the formats in detail, the sample city i.e. Bangalore is geographically divided into five zones viz., North, East, central, South, West, based on the census (2001) city decision wise study.

Further, in the study concentrated on the impact of organized and unorganized retailing on consumer buying preference. The contribution of unorganized and organized retail formats is significant in the cause ‘retail revolution’ in the city. Also, from the study quietness viewpoint it becomes necessary to study modern retail formats.

2.10. Sampling Frame

Census in India is conducted once in ten years. The least census report available is of 2001. According to it the population of Bangalore city is around 6 million and current population is more than 10 million (NCAER Bangalore statistics). As a result and due to the vast changes that have taken place both in case of demographic and economic front in the past five years, is challenging the researcher in getting accurate and reliable data. As a result researcher has used convenience sampling procedure with sample size of 300 for the study.

The study justifies the use one of the convenient sampling technique based on the following literature study – convenient samples are not recommended for descriptive or causal research, but they can be used in exploratory research for generating ideas, insights and hypothesis. This technique is used for pilot studies also (Malhotra K. Naresh, 2004).
2.11. Sample Size

The study selected a total of 300 consumers for collecting data from the major city of Bangalore. The purpose of selecting Bangalore as a sample is based on the assumption that Bangalore characterizes a rich city with the modern place being equipped with all kinds of emerging retail formats. Moreover, Bangalore is a city where people are fond of spending. According to India Today (2011), a leading magazine in India, Bangalore city has been adjudged the best city and it has been able to retain the top position till 2014. Bangalore city affords the best quality of life to its residents. The present Bangalore city is divided into forth natural regions: East, west, north and south. Hence the study covers all the regions of Bangalore city.

2.12. Data Analysis

Data is analyzed with the help of SPSS version 20.0 (Statistical Package for Social Sciences). Statistical tools like, percentage analysis, descriptive statistics, skewness and kurtosis, t-test, chi-square test, One way ANOVA, Factor Analysis, and Correlation and regression analysis have been applied to the data to test the hypotheses.

Factor Analysis

The technique of factor analysis provides a fascinating way of reducing the number of variables in a research problem to a smaller and more meaningful number by combining related once into factors. It relieves the researcher from the confusion arising through overlapping measures of the same underlying variables. Moreover the cost of further research may be reduced by focusing efforts on fewer variables for study.

Regression Analysis

Regression analysis is carried out, which endeavors to examine the relationship between dependent variable (consumers preference) and independent variables (place, promotion, price, commitment, enjoyment, quality, environment, alternative change, convenient/complement, complaint handling, employee behavior, and store features).
2.13. Research Framework

Review of Literature

Studies covering Consumer perspective

Studies covering overall Retail Scenario

Problem identification and preparation for research plan

Primary data

Questionnaire generation

Pretesting and Formalization of Questionnaire

Questionnaire for consumers

Questionnaire Administration

Consumers Perspective

Secondary data

Trends in Retail sector

Consumers Perspective