A Study on purpose of shopping and its impacts on purchase behaviour in organised retail stores in Kerala.

Dr.Baiju.J.J
Asst. Professor,
MSN Institute of Management and Technology,
Chavara , Kollam, Kerala, India.

Abstract

This study attempts to identify different factors of purpose of shopping and their impacts on purchase behaviour of customers in organised retail stores in Kerala. Purpose of shopping is that, what will drive customers to develop a purchasing behavior. It is the expression of a need which becomes pressing enough to lead the customer to want to satisfy it. To increase sales and encourage customers to purchase, brands should try to create, make conscious or reinforce a need in the customer's mind so that he develops a purchase purpose.

Key words: Retailing, Purchase behaviour, Purpose of shopping.

Introduction

Retailing means the transaction between the seller and consumer for personal consumption. Retailers are the final business units in distribution channel that link manufacturers, wholesalers, suppliers and the final consumers. It is the major source of jobs all over the world. The retail industry is divided into organized and unorganized retailing. Organized retailing can be also defined as "retail chains, supermarkets and hypermarkets owned by corporate businesses, and other large retail stores owned individuals or group of individuals who are registered as retailers and pay sales tax, income tax etc., are come under organized retailing" (Guruswamy, 2005).For instance: Big Bazaar, Reliance Trends, Spencers, Reebok, Nike, McDonald's, Pizza Hut, Peter England, Titan, Raymonds etc. On the other hand, unorganized retailing, refers to the traditional formats of low-cost retailing and the sale of unbranded products. For instance; the local kirana shops, owner manned general stores, paan / beedi shops , convenience stores, and pavement vendors etc.

Purpose of shopping and Purchase Behaviour.

This study is to analyse customers' purpose of shopping and its influence on the purchase behaviour in the organised retail stores. Purpose of shopping is that, what will drive customers to develop a purchasing behavior. It is the expression of a need which becomes pressing enough to lead the customer to want to satisfy it. It is usually working at a subconscious level and is often difficult to measure. To increase sales and encourage customers to purchase, brands should try to

create, make conscious or reinforce a need in the customer's mind so that he develops a purchase purpose. He will be much more interested in considering and buy their products. Arnold and Reynolds (2003) described the accumulative significance of entertainment as a retailing strategy. Retailers were focusing on hedonic needs like fun, stimulation and excitement to attract customers.

The human issue perpetually moves towards satisfying bound basic desires as explained by Abraham Maslow. Therefore, a study of why and the way a client is motivated to shop for bound product and services, helps in understanding the patron behaviour. In this study most of the customers visit organized retail shops with specific purpose like to see new outlets, to purchases of goods and services, to get better service, to look at product for purchase, to get better feel, to see new product, to get excitement and fun and for passing time.

In this study the factor 'purpose of shopping' is constructed by eight sub-variables: to see new product, to see new outlets, purchasing of product or services, to get better services, to look at product to purchase in future, to get better feelings, to have excitement and fun and passing time.

1. ***To see new product:-*** Customers visit the retail store just to see new products available there in the shop.

2. ***To see new outlets***:- Customers visit the retail shop just to see the features of the new outlet.

3. ***Purchasing of product or services***:- Customers go to the retail shop just for purchasing products or services.

4. ***To get better services***:- Customers visit certain stores to get better service from the sales people in the retail store.

5. ***To look at product to purchase in future***:- Customers go to the retail store to identify the product to purchase in near future.

6. ***To get better feelings:-*** Customers visit certain retail stores to have a better and positive feeling.

7. ***To have excitement and fun :-*** Certain customers visit the retail store just have an entertainment.

8. ***Time pass:-*** Customers visit the retail store just to time pass and waiting time.

Objectives of the study

1. To identify the factors of purpose of shopping have significant influence on purchase behaviour

2. To analyse demographic factors and their degree of influence on the factors of purpose of shopping.

Hypotheses of the study

H0.1 The factors influencing the purpose of shopping are not significant in purchase decision of organised retail outlets in Kerala.

H0.2 There is no significant difference in the purpose of shopping on the basis of the demographic factors.

Research Methodology

The study is descriptive cum analytical in nature. This study makes use of both primary and secondary data. The questionnaire were designed by the researcher and gave to experts for getting their point of views about the questionnaire. The questionnaire was redesigned by incorporating experts' suggestions and pilot study. The validity and reliability of the questions in the questionnaire were checked statistically. The Universe of the present study consist of the consumers who purchase at the organised retail stores in Kerala. The units of sample were selected from three zones in Kerala. The size of the sample was 600 respondents. Multi-stage simple random sampling method is used for designing the sample size of the study.

The hypothesis has been tested on the basis of different analytical tools. In the normal distribution test it is find out that the data is not normally distributed .Therefore the researcher used non-parametric tools for the data analysis. The statistical tools for analysis include: Normality test, Factor analysis, Reliability and validity test, Percentage analysis, Cross-tabulation, chi-square test, Mann-Whitney test and Kruskal Wallis test. The analysis was done with aid of statistical package for social sciences(SPSS)20.0 version.

Analysis and Interpretation :

1. **Factors influencing the purpose of shopping –**

Purpose of shopping is that it will drive customers to develop a purchasing behavior. It is the expression of a need, which becomes pressing enough to lead the customer to want to satisfy it. Eight sub-variables were identified for analyzing the main variable "purpose of shopping". These identified variables have various degrees of influence on the construct of the purpose of shopping. These sub-variables were determined by review of literature, pilot study and focused group interview. These sub-variables are: to see new products available, try new outlets, purchase goods, to get better service, have a look at products being purchased, to get better feeling, for excitement and fun, to time pass. For assessing the significance and relevance of these identified variables factor analysis, validity and reliability tests were administered. By conducting factor analysis test five

variables were found valid and significant which have a direct influence on the main variable "purpose of shopping". The result is shown in the table: 1

The factors influencing the purpose of shopping are shown in the table.1 When considering the factor 'to see new product available' 38 percent of respondents were agreeing and 33.16 percent were strongly agreeing. The variable 'to get better service' were agreeing by 23.83 percent of respondents and strongly agreed by 12 percent of respondents but 33.17 percent of respondents were staying with no opinion. The variable 'to have a look at product being purchased' 42.34 percent respondents were agreeing and 17.5 percent were strongly agreeing. In the variable 'to get better feeling' 43.67 percent of respondents were agreeing and 11 percent were strongly agreeing. In the variable 'to time pass' 33.67 percent of respondents were remain with no opinion, 25.33 percent of respondents were disagreeing and 14.50 percent were strongly disagree.

Table: 1

The Factor-wise opinion of respondents regarding the Purpose of Shopping

Opinion	to see new product available		to get better service		to have a look at product being purchased		to get better feeling		to time pass	
	No	%	No	%	No	%	No	%	No	%
Strongly Disagree	22	3.67	69	11.50	18	3.00	17	2.83	87	14.50
Disagree	55	9.17	117	19.50	50	8.33	93	15.50	152	25.33
No Opinion	96	16.00	199	33.17	173	28.83	162	27.00	202	33.67
Agree	228	38.00	143	23.83	254	42.34	262	43.67	88	14.67
Strongly Agree	199	33.16	72	12.00	105	17.50	66	11.00	71	11.83
Total	600	100	600	100.00	600	100.00	600	100.00	600	100.00
AVERAGE	3.88		3.05		3.63		3.45		2.84	
SD	1.084		1.172		.965		.974		1.196	

MEDIAN	4.00	3.00	4.00	4.00	3.00
Chi-Square	269.250[a]	97.367[a]	302.450[a]	301.517[a]	102.183[a]
Asymp. Sig. (P- value)	.000	.000	.000	.000	.000
df	4	4	4	4	4

Source: Primary data

Majority of respondents agreed that first four sub-variables are positively influencing the main variable 'purpose of shopping'. But the sub-variable 'time pass' is disagreed by majority of respondents. This is reiterated by the mean score result of the variables 'to see new product available' 3.88, 'to get better service' 3.05, 'to have a look at product being purchased' 3.63, 'to get better feeling' 3.45, 'to time pass' 2.84 are shown in the table.

Hypothesis Testing: H_a1

The chi-square analysis is applied to test the hypothesis which is framed to trace the relationship between factors influencing the 'purpose of shopping'. The above table shows the chi-square values of 'to see new product available' is 269.25, 'to get better service' is 97.367, 'to have a look at product being purchased' is 302.450, 'to get better feeling' is 301.517 and 'to time pass' is 102.183 and these values are statistically significant at 5 percent level. Thus, the hypothesis that **"Factors influencing the purpose of shopping in the organised retail outlets in Kerala are significant"** stand accepted.

2. **The purpose of shopping on the basis of the demographic factors.**

The construct 'purpose of shopping' in the organised retail outlets in Kerala is analysed on the basis of the demographic variables of the customers in order to assess their differences. The demographic variables taken for the analysis are: gender, age, occupation, education, monthly income, family size, distance travel to the store and mode of transport.

a. **Purpose of Shopping based on Gender**

The summary of Mann – Whitney test statistics shown in table:2 The Mann-Whitney U test is used to compare differences between two independent groups when the dependent variable is either ordinal or continuous, but not normally distributed. This test shows the variation between the ratings of male and female respondents regarding the purpose of shopping in the organised retail stores. The significant value of the test found to be .019, which is less than the cut off value of .05. This indicates

that at a confidence level of 95 percent. Hence, the test proves that the purpose of shopping has significant difference among male and female respondents. This is reiterated by the mean values of male and female groups, among which the female customers have highest mean value.

Table:2

Mann-Whitney Test for 'Purpose of shopping' with regard to Gender

	Gender	N	Mean Rank	Sum of Ranks
Purpose of shopping	Male	353	286.64	101185.00
	Female	247	320.30	79115.00
	Total	600		
Mann-Whitney U		38704.000		
Wilcoxon W		101185.000		
Z		-2.341		
Asymp. Sig. (2-tailed)		.019		

Source: Primary data

b. Purpose of Shopping based on Age.

Kruskal -Wallis test used for showing the difference in the mean ranks between the five age groups regarding the purpose of shopping in organised retail stores in Kerala.

Table: 3

Kruskal-Wallis Test for 'Purpose of Shopping' with regard to Age

Vriable	Age	N	Mean Rank
	below- 20 yrs	135	324.22

Purpose of shopping	21-30 yrs	312	302.18
	31-40 yrs	105	225.98
	41-50 yrs	28	342.07
	51-60 yrs	20	447.20
	Total	600	
Chi-Square		37.905	
df		4	
Asymp. Sig.		.000	

Source: Primary data

The results are summarized in the table .3. This table also shows that the significance of the Kruskal-Wallis test is.000. This is the 'p' value which is less than the cut-off value .05. Thus, we conclude that there is significant difference between the various age group of respondents with regard to the purpose of shopping.

c. **Purpose of Shopping based on other demographic factors.**

The table:4 shows that the significance of the Kruskal-Wallis test of other demographic factors like; occupation, education, income, family size, distance to the store and mode of transport. From the test it is clear that the 'p' values of occupation, education, income, distance to the store and mode of transport are less than the cut-off value .05. But the p-value of family size is greater than .05 Thus, we conclude that there is significant difference between the type of occupation, education, income, distance to the store and mode of transport of respondents with regard to purpose of shopping.

Table: 4

Kruskal-Wallis Test for 'Purpose of Shopping' with other demographic factors.

	Other demographic factors	Test	Significance
	Occupation	Kruskal-Wallis	.000

		Test	
Purpose of Shopping	Education	Kruskal-Wallis Test	.000
	Monthly income	Kruskal-Wallis Test	.000
	Family size,	Kruskal-Wallis Test	.158
	Distance travel to the store	Kruskal-Wallis Test	.000
	Mode of transport	Kruskal-Wallis Test	.000

Source: Primary data

Hypothesis Testing: H_a2

The results of the above tables show that all the seven demographic factors are significant with 'purpose of shopping' except family size of customers. Hence, the hypothesis **"There is significant difference in the purpose of shopping on the basis of the demographic factors"** stands accepted.

Conclusion

The first test shows that all the five factors are significant with purpose of shopping that leads to purchase decision in organised retail outlets in Kerala. The second test proves all the demographic factors have significant difference on purpose of shopping. This research work has tremendous relevance to the retailers in formulating their marketing strategies. This will enable the retailers to know the expectations of the consumers about the format of the retail stores they are dealing with.

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