10. FINDINGS & DISCUSSION

10.1 FINDINGS

The findings of the study based on data analysis have been summarized below in the order of analysis.

10.1.1 Demographic Profile of Customers

- An analysis of the demographic characteristics of respondents (N=900) indicated that around two third of them were female (63 per cent).
- Eighty three (83) per cent of the respondents were found to be married.
- Thirty four (34) per cent of the respondents were in the age group of 31-40 years, thirty (30) per cent were in the age group of 21-30 years and twenty three (23) per cent were in the age group of 41-50 years.
- Thirty eight (38) per cent of the respondents were post graduates and thirty five (35) per cent of the respondents were graduates.
- Salaried employees accounted for fifty nine (59) per cent while thirty one (31) per cent were housewives among the respondents.
- In the monthly household income category, thirty one (31) per cent of the respondents were in the category of Rs. 50,000 and above, nineteen (19) per cent were between Rs.21,000 to Rs.30,000, seventeen (17) per cent were each in Rs. 31,000 – Rs.40,000 and Rs. 41,000 – Rs. 50,000 categories.
- Fifty three (53) per cent of the respondents had a family size of 4 - 6 members whereas forty three (43) per cent had a family size of 1-3 members.
- Seventy three (73) per cent of the respondents had owned a house.
• Fifty per cent (50) of the respondents had possessed a two wheeler while thirty six per cent (36) of the respondents possessed a four wheeler.

10.1.2 Consumer Demographics and Retail Store Format Choice

The following findings have been observed and presented below with respect to the impact of consumer demographics on store format choice behaviour of customers.

• The test on gender and marital status of respondents indicated that there is no significant difference with respect to male and female customers as well as married and unmarried customers in their preference towards traditional grocery stores as well supermarkets for buying food and grocery items (p > 0.05).

• Significant difference in mean score is observed between age groups in their preference of supermarkets and not traditional retail stores.

• A comparison of the mean scores indicate that customers in the age group of 21 to 30 years (3.37) prefer to shop from a supermarket followed by the customers in the age group of 31 to 40 years (3.27) and below 41 -50 years (3.27).

• However, significant difference between age groups is not observed with respect to customer preference of traditional retail store.

• Educational qualification of customers has been found to significantly impact customer preference of traditional retail store and supermarket. Based on the mean score, it can be inferred that well educated customers prefer to shop from supermarkets.

• Customers who hold a post graduate degree (3.66) prefer to shop in a supermarket while customers who hold a diploma degree least prefer to shop from a supermarket (2.49).

• On the other hand, customers with a minimum qualification of a diploma (4.11) closely followed by customers with basic school
education (4.10) were found to prefer traditional stores for buying food and grocery items.

- Significant difference has been observed in mean scores of occupation of customers in their preference of traditional retail store and supermarket.

- Based on the mean score, it can be inferred that housewives preferred to shop from traditional retail stores (3.86) followed by students (3.71) and retired persons (3.53).

- On the other hand, self-employed customers (3.59) prefer to shop from supermarkets followed by salaried class (3.40) and students (3.00).

- Significant difference in the mean score of monthly household income of customers in their preference of traditional retail store and supermarket has been observed in the study.

- Based on the mean score, it is understood that an increase in the monthly household income increases supermarket preference of customers. Customers with lesser monthly household income tend to buy food and grocery items from these stores, as evidenced from the results.

- The results indicate that customers with an income of Rs.50,000/- and above (3.79) per month prefer to shop from supermarkets. Customers with a monthly income ranging from Rs. 10,000 to Rs.20,000/- (3.81) prefer to shop from traditional retail stores.

- Family size of customers was found to significantly influence customer preference of traditional retail store and supermarket.

- Based on the mean score, it is understood that majority of the family with more than six members (4.19) prefer to shop from traditional retail stores.

- Families with a size of 4–6 members prefer to shop from supermarkets (3.28) followed by those with a size of 1–3 members (3.27).
10.1.3 Shopping Pattern of Customers

- An analysis of the respondents' frequency of visit to a traditional retail store and supermarket to buy food and grocery item has highlighted differences in their shopping pattern.
- A considerable portion of the respondents visited traditional retail stores twice or thrice a week (36 per cent). A major chunk of the respondents (48 per cent) indicated that they visited supermarkets to buy food and grocery items once in a month.
- A comparative analysis of the mean scores indicated that while conducting a fill-in trip, majority of the respondents preferred traditional retail store (3.76) compared to supermarkets (2.65).
- On the other hand, respondents indicated that while conducting a major shopping trip for buying food and grocery items, they prefer supermarkets (3.30) compared to traditional retail stores (2.97) (Table 5.2).
- Majority of the respondents (51 per cent) spent almost less than 30 minutes during each visit. Only three (3) per cent spent more than 90 minutes during each visit.
- A considerable portion (28 per cent) of the respondents spent around Rs. 2,000 to Rs. 3,000 every month on food and grocery items.

10.1.4 Retail Store Attributes and Retail Store Preference

- Multiple regression analysis conducted on the collected data indicated that there exists a significant relationship between store attributes and customer preference of retail stores.
- Customers preferred to shop from traditional retail stores due to their perception about low price of products (β = .090), location proximity (β = .184) and services offered like door delivery, friendly and courteous storekeeper, ease of exchange, shorter waiting lines, etc. (β = .170).
Customers prefer supermarkets for buying food and grocery items due to the availability of variety of products and brands, quality products, etc. (β = .219), promotional activities like discounts, offers, etc. of supermarkets (β = .186) and neat and clean store facility, organized display of goods, size and layout and parking facilities (β = .230).

10.1.5 Retail Store Attributes and Attitude towards Retail Stores

- The effect of store attributes on consumer attitude towards retail store and supermarkets were examined using linear regression model. The resulting regression models were significant at 1% level.
- The model arrived at positive β coefficients for the variables price, location and service (β = .142, β = .160, β = .245), respectively.
- Negative β coefficients were identified for product (β = -.125), promotion (β = -.193) and facility (β = -.166).
- The model arrived at positive β coefficients for the variables product (β = .166), promotion (β = .248) and facility (β = .224) and negative β coefficients for the variables price (β = -.126) and service (β = -.060). However, the impact of location on the attitude developed towards supermarket is not found to be statistically significant (p > 0.5).

10.1.6 Shopping Motives and Retail Store Preference

- Stepwise regression analysis was performed to analyze the moderating role of ‘Customer engagement’ and ‘Shopping occasion’ on the strength of relationship between store attributes and traditional retail store preference and the resulting models were found to be statistically significant.
The findings indicate that the ‘Customer engagement’ factors like credit purchase, refund and personal relationship maintained by the shopkeeper with family members and the ‘Shopping Occasions’ like urgent purchase, not willing to put more effort for shopping and buying in small quantities (\( \beta = 0.511 \) and \( \beta = 0.117 \), respectively) moderate the strength of relationship between retail store attributes (\( \beta = -0.080 \)) and traditional retail store preference.

The results of stepwise regression analysis highlights the moderating role of ‘Customer experience’ and ‘Value for money’ on the strength of relationship between store attributes and supermarket preference and the resulting model was found to be statistically significant.

Customers feel comfortable due to one stop shopping and availability of shopping aids like trolleys, shopping bags, etc. in a supermarket. Customers also enjoy shopping in a supermarket as they can go with their family members and spend their time inside the store for a longer time (\( \beta = 0.385 \)).

Supermarkets also provide customers some payment benefits in terms of accepting the usage of credit/debit cards, food coupons and membership points. In addition, the availability of private label brand products at lower prices in a supermarket has attracted customers and strengthens the relationship between retail store attributes and supermarket preference (\( \beta = 0.227 \)).

10.1.7 Store Attributes, Customer Satisfaction and Re-Patronage Intention

Structural Equation Modeling has been run through to validate the proposed theoretical model.

The model statistically confirmed the paths between store attributes, attitude towards supermarket, supermarket preference and customer satisfaction and the regression coefficients were found to be positive.
The standardised coefficient from store attributes to attitude towards supermarket, choice of supermarket and customer satisfaction are 0.246, 0.087 and 0.224, respectively.

The path from store attributes to repatronage intention is also found to be statistically insignificant and weaker coefficient was observed along the path, store attributes and repatronage intention \( (r = 0.029) \).

Thus, it can be inferred that store attributes have an indirect effect on repatronage intention through all the three variables, attitude towards supermarket, supermarket preference and customer satisfaction.

The path from attitude towards supermarket to supermarket preference was also found to be positive and statistically significant.

A stronger regression coefficient was observed along the path, attitude towards supermarket and supermarket preference (0.524).

The path leading to customer satisfaction from supermarket preference is also found to be statistically significant with a regression coefficient of 0.144.

The paths leading to re-patronage intention from customer satisfaction and supermarket preference were found to be positive and statistically significant.

However, regression coefficient was found to be strong between in the path between customer satisfaction and re-patronage intention (0.786), whereas, the path leading to re-patronage intention from supermarket preference was found to be weak, although statistically significant (0.083).

The hypothesised paths between store attributes to traditional retail store preference and customer satisfaction were found to be statistically significant.

The standardised coefficient from store attributes to choice of traditional retail store was found to be negative (-0.075).

The standardised coefficient from store attributes to customer satisfaction was found to be positive (0.243).
• However, the path from store attributes to repatronage intention is found to be statistically insignificant ($p > 0.05$) with a weak positive regression coefficient of 0.31.

• The paths leading to re-patronage intention from customer satisfaction and traditional retail store preference were found to be statistically significant. Regression coefficient along this path was found to be positive and strong (0.785).

• Whereas, the path leading to re-patronage intention from traditional retail store preference was found to be negative and weak, although statistically significant (-0.095).

• This indicates that both the variables, customer satisfaction and traditional store preference mediate the relationship between store attributes and repatronage intention of customers.

• The paths from attitude towards traditional retail store to traditional store preference was found to be positive and statistically significant with a stronger regression coefficient of 0.595.

• The direct effect from store attributes to traditional store preference is lesser (-0.075) compared to the indirect effect of store attributes through attitude developed by customers towards a traditional store (-0.24).

• Thus, attitude developed by a customer towards traditional store shows complete mediation between store attributes and traditional store preference.

• The analysis indicate that the path leading to attitude towards traditional store from store attributes is statistically insignificant with a weak negative regression coefficient of -0.037.
10.2 DISCUSSION

The discussions pertaining to the data analysis are represented in the order of findings below

- Younger customers are found to be attracted by and found to patronize supermarkets. Traditional retail stores should look for strategies to attract younger generation customers, while supermarkets should make it easy and comfortable for elderly people to shop from their stores.

- The study has also highlighted that less educated customers prefer to shop in traditional retail stores. This trend needs to be addressed by traditional retailers. Traditional retailers should modify themselves to provide the experiences that supermarkets give their educated customers.

- On the other hand, supermarkets should look for strategies to attract less educated customers to buy from their stores. They should be easily approachable for the less educated to shop from their stores.

- Traditional retailers should also try to bring in salaried group of customers by initiating payment enabling technologies. On the other hand, supermarkets should attract retired people by way of making their purchase easy and comfortable.

- Housewives have shown to prefer both traditional as well as supermarkets. Therefore, both the formats of retail stores should find out strategies to attract and retain housewives to their stores.

- Supermarkets should find ways to attract customers with a lesser monthly household income and on the other hand traditional stores should find out ways to bring in high income category customers to shop from their stores.
• Supermarkets should find ways to attract customers with a lower socio-economic background whereas traditional stores should try to attract the customers with the higher socio-economic background.

• Based on the findings, it is suggested that in order to attract customers to shop from their stores as well as develop a positive attitude, traditional retailers should work on providing a lot of variety and assortment to their customers.

• Traditional retailers should also provide more discounts and offers for the products they sell. Based on the interaction with customers, it is understood that these retailers pass on some discounts to regular customers and not others. However, if this is made more visible by the traditional retailers they may attract more customers towards their stores.

• Today’s customers need more experience than mere service. Therefore, traditional retailers should focus on improving their store facilities in terms of neatness and cleanliness, product display and create a good atmosphere wherein customers like to visit the store again and again. Customers also expect more parking facilities because most of the customers today like to ride either by a two wheeler and a four wheeler.

• Customers also feel that they have to travel more distance to a supermarket compared to traditional retail stores. This demands that the supermarkets should get into every neighbourhood to enable customers to shop from these stores. However, location as an attribute is not significant enough to develop a negative attitude towards supermarket.

• Customers also feel that the services offered by traditional retail stores are superior to that of supermarkets. Therefore, supermarkets should focus on delivering the products faster, having adequate number of billing counters and employees to reduce waiting lines and expedite purchasing. Supermarkets should also ensure that the time
taken for exchange of products is as minimum as possible. Supermarkets should also try to minimize billing errors.

- Supermarkets are perceived to price their products higher compared to traditional retail stores. This perception needs to be eliminated from the minds of the customers. Supermarkets can do this by keeping their prices at par with traditional retail stores.

- However, traditional retail stores should adopt technologies to enable customers use their debit/credit card for purchase in the current plastic economy. Since, many of the service organizations provide food coupons to their employees, traditional retailers have to accept these coupons by having an agreement with the service provider.

- Traditional retail stores should formalize membership benefits to compete with supermarkets. Traditional retailers should also provide an ambience wherein customers like to shop and make the shopping more convenient for customers.

- On the other hand, supermarkets should focus on developing strategies to personalize and engage customers as and when they do shopping. Supermarkets should try to find out a solution to accommodate refunds. If they are not willing to pay cash for returns, they may credit the cash to an account that can be used during their next purchase. Supermarkets should also keep their shops open during the convenient timing of customers.

- Customers go to traditional stores for an urgent purchase as these stores are kept open early in the morning till late in the evening in nearby locations. Customers perceived that they have to put more effort to visit a supermarket for their regular shopping needs due to its far off location. This problem can be addressed by delivering products to the customers by taking orders over telephone. Customers also feel that they are able to buy products in smaller quantities from a traditional retail store. Supermarkets should come out with varied package sizes for all their offerings.