
Determinants of Product Attributes on Retailing: A Study on Hyderabad Retail Market

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Abstract

The objective of this research work is to find out shoppers buying behaviour towards retail stores in Hyderabad market. The consumer is being attracted towards stores by many factors, especially product attributes are influencing a lot on purchase pattern. This study tries to assess such important factors and its role in buying behaviour. The data has been collected by means of structured questionnaires through random sampling and field survey technique was employed. The data has been analysed by using factor analysis technique, and the study found that certain factors such as 'availability of large assortment', 'packaging, availability of loose products' and 'freedom in choosing products' are the most influencing factors on buying behaviour of retail stores in Hyderabad market.

Key words: shoppers, buying behaviour, factor analysis, retail stores, Hyderabad.

INTRODUCTION

. The word retail derived from French word Retailer that means cut to bulk. In simple terms, it implies a first-hand transaction with the customer of retailing: Retail means selling goods and services in small quantities directly to customers. Retailing consists of all activities involved in marketing of goods and services directly to consumer for their personal, family and household use¹. Historically, retailing has been continuing with the development of a civilized society. Ancient retail/trade in India was conducted by barter system and it took place in village markets or Hats where people exchanged goods with each other. Periodically there is lot of changes in Indian retailing, especially with the introduction of foreign players. India is the world's fifth-largest global destination in the retail space and accounts for over 10 per cent of the country's GDP (Gross Domestic Product)². Indian retailing has been experiencing structural changes in recent two decades. The Indian retail market is facing high amount of competition within the nation by organized retailing and unorganized retailing in addition to global retailers

SIGNIFICANCE OF THE PRESENT STUDY

The faster growth and potential of the Indian retail sector is seen as important driver for current Indian economic scenario. During the recent years, retailing business in India is witnessing substantial growth and it is expected to be graceful sector in the future. The endurance of any retail format depends on understanding the changing needs and expectations of their target consumers. It is also important, formulating strategies which help them in getting the consumer acceptance. The buying behaviour of the consumer always changes and it is affected by various aspects which include; psychological, emotional and social factors.

The success or failure of any retail business depends on understanding and serving consumer needs.

Understanding consumer behaviour towards the stores and formulating suitable strategies according to the buyer expectations are important aspects. Thus, the present study is aimed to understand the consumer buying

Preferences, on Hyderabad market, which is the one of fastest growing cities of south India with rapid developing retail market under diversified culture.

REVIEW OF LITERATURE

Sushma (2014)³ studying consumer perception is remaining fickle in retail sector and the retailers are always on expedition to satisfy their consumers with new concepts. As a biggest challenge faced by the industry, consumers are demanding for rapid service and discounts. Brand name can't so far satisfy them. So, consumers are attracted of organized outlets, distinguishing, these outlets would offer quality products, low prices, and offering umbrella shopping. Madan and Rama Venkatachalam (2012)⁴ are highlighted on quality of products, price and availability of fruits & vegetables, cleanliness, home delivery, credit facility provided by retailers. Changing trends in customer preference were observed while shopping grocery items Kumar (2011)⁵ is deliberation on the strategies of unorganized retailers with reference to consumer durables. He found that a product strategy is the most important factor next to monetary value. The factors like distribution and packaging also have an impact on consumer behaviour. Kamala Devi (2009)⁶ has opined that, to compete successfully, the retailer must understand the customer buying preferences. Store policy must focus on consumer need fulfillment, understanding consumer experience effectively will help in formulating these kind of policies. This study concentrated on the macro factors and its impact on the retail environment. It also put a light on how these factors can shape customer behaviour. M. Hameedunissa (2013)⁷ in his paper presented how consumer behaviour affected by various factors towards shopping in big malls. The use of consumer psychology has been hashed out in this paper that how it affects a consumer towards buying from any issue.

Though there are several studies among issues regarding retailing in India, there are very few studies involving factors influencing on buying behavior, especially on product attributes by using the survey method. As stated earlier Hyderabad is one of the retail market destinies in India in general and in south India in particular but at the same time, there is the need for the retailers to the changing consumer buying behavior, hence this studies help to fill the gap.

OBJECTIVE OF THE STUDY

To evaluate the product attributes that influences the buying behavior in retailing.

RESEARCH METHODOLOGY

The study is mainly based on primary data. Primary data were collected from the retail consumers of Hyderabad area in Telangana region of India by administering a structured questionnaire. By using random sample method, 682 respondents were selected as sample. Multiple and unfilled responses were noticed for few cases. The final sample taken for the research study was reduced to 628 respondents. Data is analyzed through the latest version of SPSS software package. The research has opined that factor analysis is the abrupt statistical tool to find the consumer preferences study.

RESULTS AND DISCUSSION

Table-1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.651	0.635	6

Source: Primary Data

. TheTable_1 shows the results of Reliability Test which was conducted to assess the consistency of the questionnaire .The reliability of the instrument for each construct was analyzed by using Cronbach’s Alpha and the results are presented in the Table. The Cronbach’s Alpha was found to be 0.635for all six which indicated the questionnaire to be 63.5 percent valid. This indicated that suggesting that the items are having a low to moderate internal consistency and therefore, the instrument was used to collect data.

Table-2:Results of Item-TotalStatistics

Option in selection of store	Mean		Std. Deviation	Cronbach's Alpha
	Statistic	Std. Error		
Availability of large assortment	4.1115	0.04592	1.15069	0.462
Freedom in choosing products	4.3487	0.04475	1.12151	0.695
Availability of loose products	4.2373	0.02548	0.63854	0.662
Packaging	4.1115	0.04592	1.15069	0.461
Maintains quality	4.5748	0.02577	0.64578	0.574
Accessibility of the products	4.5223	0.02399	0.60129	0.684

In the above table (2) it is inferred that, for most product categories consumers have their favorite brand names, flavors, or sizes that they want to purchase and that they expect a “good” convenience store to carry. (Good brands carry with them images of quality, lifestyle, etc.) For some products consumers are extremely loyal to their brand and package size, and for other products like chocolate bars they may have several brands that they alternatively use. In any case, to provide convenience and value you must not only carry these bestselling brand name products but you must be in-stock at all the time

Availability of large assortment: Assortment can be described as the ability of the retailer to offer a wide array of products to the customer with variety, uniqueness, and quality. Product assortment determines the rivals with which a retailer must compete. It is usually characterized by assortment width, defined as the number of product categories offered, and assortment depth, defined as the variation in products serving a single consumer need. **Availability of large assortment**(miscellaneous collection of things) users are satisfied if they are given more options as the mean is 4.1115, error is 4.6 percent so the data is reliable and the deviation is 1.15, the alpha coefficient is 0.462 suggests the internal consistency is low.

Freedom in choosing products: Rather than simply consuming the available products, consumers are becoming the voices of that product, to the point of impacting on what kind of products are actually made, how they are purchased. **Freedom in choosing products** mean for this variable is 4.3487, error is 4.5 percent and the deviation is 1.12, the alpha coefficient is 0.695 suggests the internal consistency is high.

Availability of loose products: enabling consumers to buy in their desired quantities is an important practice in retailing. **Availability of loose products**, the mean is 4.2373, error is 2.5 percent so the data is reliable and the deviation is 0.64, the alpha coefficient is 0.662 suggests the internal consistency is good but not high.

Packaging: the product packaging can play an important role in the success or failure of the sales of the product. Packaging can also differentiate one brand of product from another brand. Because the product packaging can contain company names, logos and the colour scheme of the company, it helps consumers to identify the product as it sits among the competition's products on store shelves. **Packaging**, the mean is 4.1115, error is 4.5 percent so the data is reliable and the deviation is 1.15, the alpha coefficient is 0.461 suggests the internal consistency is low.

Maintains quality: Retail businesses has been differ from other business types in that most specialize in selling already-produced goods rather than manufacturing products from raw materials. In today's competitive retail market, as the service quality improves, the customer's expectation and lateral demand on the service level is increased from time to time. In addition to improving service quality, improving product quality is also needed. Quality has been typically regarded as a key strategic component of competitive advantage, and therefore improving product quality has been a matter of prime concern to firms. **Maintains quality**, consumers are more attracted towards the quality as the mean suggests 4.5748, error is 2.5 percent, the deviation .64and the alpha coefficient 0.574 shows that the internal consistency is low.

Accessibility of the products is attracting customers as the mean is 4.5223, the error for this variable 2.4 percent , deviation .60 and the alpha coefficient 0.684 which means the internal consistency is close to high.

Table-3: Results of Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Availability of large assortment	21.8073	5.913	0.681	0.974	0.462
Freedom in choosing products	21.5701	8.549	0.189	0.125	0.695
Availability of loose products	21.6815	9.876	0.19	0.129	0.662
Packaging	21.7946	5.969	0.684	0.974	0.461
Maintains quality	21.3439	8.58	0.542	0.331	0.574
Accessibility of the products	21.3965	10.358	0.085	0.038	0.684

TheTable-3 shows the total item statistics of the data .Under this statistics ,it was found that Cronbach's Alpha values, for all the items, were found to be greater than 0.46.Cronbach'sAlpha simply provides the overall reliability coefficient for a set of variables(e.g. questions).The Cronbach's Alpha value indicates the value if that particular item was deleted from the scale. All the values were higher, indicating the reliability of the questions. However, the total item correlation of the variables, namely, Availability of large assortment, Packaging, Maintains quality was found to below .The Cronbach's Alpha would group if these variables were deleted but there will not be significant difference. Hence these variables were retained

Table-4: KMO and Bartlett's Test

Kaiser-Meyer- Olkin Measure of Sampling Adequacy.		.570
Bartlett's Test of Sphere city	Approx. Chi-Square	2557.951
	Df	15
	Sig.	0.000

Source: Primary Data

. Table-4 shows the result of KMO and Bartlett's Test of Sphere city ,employed for identifying the sampling adequacy of the data .It is clear from the results that the KMO statistics was .570, which was greater than 0.05. Therefore, this data can be used for the factor analysis. The significant value of Bartlett's Test of Sphere city is 0.000 which is < 0.001 This indicates that there existed significant relationships among the variables. The result ant values of KMO test and Bartlett's test indicate that the present data were adequate for the factor analysis

Table-5: Results of Communalities

	Initial	Extraction
Availability of large assortment	1.000	.968
Freedom in choosing products	1.000	.891
Availability of loose products	1.000	.646
Packaging	1.000	.969
Maintains quality	1.000	.681
Accessibility of the products	1.000	.439

Extraction Method: Principal Component Analysis.

Table 5 shows the result of communalities of factor loadings, Values greater than 0.5 were considered to have greater influence on consumer buying behavior of product attributes. The factors namely availability of packaging of 0.969 i.e. 96.9% of the variance could be explained by the variable. Similarly another factor, namely, Availability of large assortment, Freedom in choosing products, Maintains quality and Availability of loose products recorded higher loadings. Accessibility of the products is the variable which is below 60% did not contribute significantly to explain consumer behaviour

Table 6: Results of Total Variance Explained

Total Variance Explained									
Com ponent	Total	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings	
		%of Variance	Cumu lative %	Total	%of Variance	Cumu lative %	Total	%of Variance	Cumul ative %
1	2.413	40.217	40.217	2.413	40.217	40.217	2.142	35.699	35.699
2	1.163	19.384	59.601	1.163	19.384	59.601	1.290	21.498	57.197
3	1.018	16.964	76.566	1.018	16.964	76.566	1.16	19.36	76.566
4	.906	15.098	91.664						
5	.487	8.117	99.780						
6	.013	.220	100.00						

Extraction Method: Principal Component Analysis.

Source: Primary Data

The percentages of variation, explained by the factors ,are depicted in Table 6.

three factors, under Eigenvalue, was 76.56 percent and the remaining variance was explained by the other variables. Among the three factors, the first factor accounted for around 35.69 percent of variance and hence it was the prime criterion, considered by the respondents, in the selection of the product attributes of retail stores.

Results of rotated component matrix

Renamed Factor	Variables	Factor Score
Consumer attraction	Availability of large assortment	.980
	Packaging	.980
Assortment	Availability of loose products	.758
	Maintains quality	.552
	Accessibility of the products	.637
Involvement	Freedom in choosing products	.941

The results of the rotated component matrix indicates following underlying factors influencing the buying behaviour of the customers. By considering the factors with a value of more than 0.5 following deductions can be made regarding the components.

Component Number	Associated With
1	Availability of large assortment 1) Packaging The under laying factor can be termed as 'Consumer attraction' contains very high correlations with component 1.
2	1. Availability of loose products 2. Maintains quality 3. Accessibility of the products The under laying factor is 'Assortment' and it contains moderate to high correlations with component 2.
3	1. Freedom in choosing products The under laying factor is 'Involvement' and it contains high correlations with component 3.

CONCLUSION

The study concludes that the determinants of product attributes for retail stores in the study area were mainly 'Availability of large assortment', 'Packaging, Availability of loose products' and 'Freedom in choosing products'. And retailers could take necessary steps in developing quality and accessibility of the products. This study could benefit the retailers for better decision making in framing better strategies and provide customized products and services.

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