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## **Analysis of Customers' Retail store selection preferences: An empirical study**

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### **Abstract**

Image enhancement is a critical tool for both acquiring and maintaining clients. In this research, store-based retail characteristics were connected with repeat purchase and retail consumer behaviour. Store image is an element that is directly impacted by store-based features such as merchandising strategy, display, visual merchandising, store atmospherics and surrounding, and so on, and it has a long-term influence on consumers' purchases, repeat purchases, and loyalty. The features of the shop have been usually addressed under atmospherics. This study is empirical in nature in which t-test has been used on a sample of 145 respondents. The data analysis was carried out with the help of mean (weighted) and one sample test.

**Keywords:** customers' preferences, retail store selection, store attributes, t-test

### **Introduction**

The phrase "retail atmospherics" refers to all of the physical and nonphysical features of a business that may be managed to improve (or restrict) the behaviours of its inhabitants, both consumers and staff. Atmosphere is a phrase used to describe our sentiments about the shopping experience that cannot be seen. Philip Kotler defines atmosphere as "the design of a retail chain outlet that induces precise emotional impacts on the customer that increase his purchase likelihood." The appealing and stunning ambiance of retail chain shops generates a delightful experience for customers, which has a direct impact on their buy intention and decision-making process. It has been shown that climatic stimuli improve the likelihood of consumers remaining longer in shop. When a customer is happy with the retail environment of a business, he spends more time in that shop and purchases more because of the positive environmental stimuli. The environment has a significant influence on customer sentiment and satisfaction. The stunning environment of retail chain locations improves client happiness and the purchasing experience.

"Selling via the Senses" provided various instances of how merchants employ noises, aromas, and visual components of the shop environment to create desired images and enhance sales. A tie shop's use of leather and tobacco odours to create an ambiance in which female gift shoppers felt comfortable buying men's ties was one of the instances, as was a music shop's use of audio engineering to create a shop editorially segregated by department. "Olfaction in the Retailing Environment," the second session, included examples of how olfactory stimuli are employed in the retail environment, as well as a discussion of the theoretical implications for the observed effects of such stimuli. Approach/avoidance behaviour was considered to be the fundamental reaction to olfactory cues. Olfactory cues were shown to have the ability to grab attention and encourage processing, improve emotional states, and influence salesperson/customer interactions. Potential olfactory moderators and mediators were also addressed.

### **Review of Literature**

Hong and Kim (2012) <sup>[1]</sup> presented a method for online retailers to give personalised marketing by segmenting their clients based on psychographic data. By determining customer value and segmenting their clients into a few groups of consumers with similar

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purchasing intents, online companies may focus on more lucrative operations. To segment online consumers, the strategy has applied the characteristics that affect the consumers' inclination to buy on the Web, based on past research that describes the behaviour of online consumers about buying. According to the market segmentation offered by our methodology, online retailers may generate promotional marketing and give tailored service to e-customers who are more valued and promising.

Retailers' efforts to retain consumers should be targeted at the proper consumers. Details regarding customer-level traits will help merchants target the correct group of consumers, according to the current research. Academicians would benefit from gaining a thorough grasp of the many store- and customer-level factors that influence the long-term connection between a retailer and a consumer. This study's model demonstrates the effects of retailer effort as perceived by consumers and consumer values on commitment. There have been relatively few studies in the context of grocery retail that have taken customer-level traits that inspire individuals to create long-term connections. In the Indian setting, there is relatively little work being done (Deb, 2014) [2].

The core idea is that the environment influences a shopper's behaviour. A shopper's emotions and mood are influenced by the surroundings (store), which in turn determines the shopper's behaviour. It is critical to concentrate on emotionally and behaviorally engaging the consumer, which implies that communication on social media and in real retail locations should both excel in emotional appeal and stimulate multiple types of involvement with the business. Retail success is becoming more dependent on how a store sells their product rather than what they offer. This is the new shopping experienced paradigm shift. This will become increasingly more important in the future as retail success continues to move toward how successfully businesses play to the shopper's emotions, psychology, and sentiments. Need, whether utilitarian or hedonistic, drives individuals to the store, but emotions compel them to remain and purchase.

According to Levin, *et al.*, (2005) [7] found that customer is likely continue despite the arrival and growth of giant retail shops from other nations. Overall it was found that customers feel more comfortable and they get more attention in the small stores as compared with the big stores.

Keen, *et al.*, (2004) [9] emphasize the importance of impulsive buying since an unexpected purchase choice is impacted by a variety of circumstances. The purpose of this research is to investigate the association between shop environment and impulsive purchasing behaviour (IBB). It also investigates how demographic factors like age, gender, and education influence the link between shop environment and IBB. Using self-administered questionnaires, the mall intercept methodology was employed to gather data from over 700 consumers from eighteen megastores in Pakistan. Structure Equation Modeling (SEM) was used to evaluate the data and test the hypothesis. The findings indicate that shop environment has a favourable and substantial impact on IBB. Furthermore, it demonstrates that just one demographic component, age, has a significant effect on IBB, whereas other factors, such as gender and education, have a negligible link with IBB. The link between shop environment and IBB is moderated by age. This research is a good contribution to the current research, and the research's results will be useful in making various marketing and retailing judgments. From a

management standpoint, it is suggested that marketers and retail managers may significantly enhance the IBB by enhancing shop surroundings. Unlike other studies that investigate the effects of shop atmospheres on IBB, this study focuses on demographic characteristics as modifiers.

Phang, *et al.*, (2010) [10] investigated that purchase Decision has a large impact on Customer Satisfaction; Purchase Decision has a substantial effect on Customer Satisfaction. The researcher is responsible for maintaining and improving the store's environment. Because shop environment variables have a large impact on purchase decisions, it is possible to enhance the shop environment via facilities, new services, parking space, and all other factors that impact consumer buy decisions.

Dalwadi, *et al.*, (2010) [4] investigate the effects of multi-sensory congruent signals on customers' emotions and buying behaviour while creating retail store environments. Prior research implies that atmospheric stimuli contribute to the creation of an attractive ambiance, and studies have shown that buyers respond to various stimuli. However, previous research has not looked at how multi-sensory congruent signals added to a visually dominating retail environment could affect customer emotions and purchasing behaviour. The results show that multisensory congruent signals have a beneficial effect on shoppers' emotions, as measured by valence, and purchasing behaviour, as measured by time spent and purchase. It is clear that multisensory signals, such as audio and olfactory signals, are more effective in a dominating visual store environment than just introducing additional visual stimuli. A visually prominent store environment should be created more in the direction of a multi-sensory environment in order to provide customers with more enticing retail experiences.

According to Trappey, *et al.*, (2009) [6] found that both in-store Internet users and non-users place the same value on some online behaviours available in the physical shop. Consumers with varying amounts of in-store internet usage, on the other hand, assess online & offline shop environment and omni channel characteristics differently. The study concludes by presenting practitioners and researchers with some implications about omni-retailing technologies that should be used in physical shops, as well as the necessity of online and offline shop environment in order to buy from them.

Global merchants see the Asian region as the most profitable playing area. Global corporate culture has been introduced and is affecting consumer behaviours by modifying their lifestyle and buying patterns through communication networks and mass media. The goal of this research is to determine how much shop features such as product selection, shop environment, location, and purchase intention impact Pakistani customer shop choice. To investigate the elements that impact consumers' purchase intentions, 200 questionnaires were issued to the general public, with 180 surveys returned. This research will assist merchants in increasing their market share and profitability by offering their consumers with a desired shop atmosphere. Retailers may leverage these shop qualities to keep current consumers and attract new ones (Rehman, *et al.*, 2014) [3].

According to Gable, (2008) [8] the primary goal of this study is to examine the influence of shop display and shop illumination on consumer purchase intentions at the Zara shop in Surabaya. This is a quantitative and causal study using an on-site survey employing a questionnaire. The

sample included 140 respondents ranging in age from 18 to 40 years old, as well as persons in Surabaya who had visited a Zara shop during the previous three months. Structural Equation Model (SEM) and LISREL 8.70 data analysis techniques will be employed. The findings indicate that store displays have a favourable influence on positive feeling. Positive emotions are also influenced by store illumination. This study also found that good emotions had a beneficial influence on client purchase intent. Furthermore, with happy emotion as a mediator, shop display has a beneficial influence on client purchase intention. Store lighting has a favourable influence on consumer purchase intent when pleasant emotion is used as a mediator.

Paulins & Geistfeld (2003) [5] found that consumers with varying amounts of in-store internet usage, on the other hand, assess online & offline shop environment and omni-channel criteria differently. The study concludes by presenting practitioners and researchers with some implications about omni-retailing technologies that should be used in physical shops, as well as the necessity of online and offline shop environment in order to buy from them.

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### Objectives of the Study

1. To find the reasons for the selection preferences of customers' retail store
2. To ascertain the significance of the reasons for the selection preferences of customers' retail store

### Research Methodology

**Table 2:** Mean Value of the Factors determining the selection of retail stores by customers

Sr. No.	Factors determining the selection of retail stores by customers	Mean Score
1.	Good will of the brand helps in attracting customers	4.45
2.	A happy environment in the retail stores create a joyful experience for the customers	4.43
3.	A happy environment in the retail store makes the customer spend additional time in the store and also to buy more	4.49
4.	Environment influences the emotions of the consumers and boosts the satisfaction level	4.35
5.	The attractive atmosphere of a retail store boosts consumer satisfaction level as well as buying behavior	4.24
6.	The efforts made by businesses in retaining their customers need to target the right customer segment	4.32
7.	The was businesses communicate on different social media platforms and in the physical stores need to be emotionally appealing	3.96
8.	The way retailers sell it is much more important than what they sell	4.01
9.	The atmosphere in the store influence consumers' impulsive buying behavior	4.22
10.	The space in the retail store is a crucial point of communication between the customer and the retailer	4.39

Table 2 shows the opinions of respondents on Factors determining the selection of retail stores by customers. It is observed that Image building is an essential tool for both attracting and retaining customers is the most important Factors determining the selection of retail stores by customers with the mean value of 4.75. It is followed by

The present study is descriptive in nature in which the reasons for selection preferences of customers' retail store have been studied. The sample size of the study is 145. The data were collected with the help of a structured questionnaire on a five-point scale and analysed with the help of the mean values and t test.

### Data Analysis and Interpretation

**Table 1:** Demographic profile of the respondents

Variables	Number of respondents	% age
<b>Gender</b>		
Male	73	50%
Female	72	50%
Total	145	100%
<b>Age group of customers</b>		
Below 18	65	45%
18-45	28	19%
Above 45	52	36%
Total	145	100%
<b>Products they buy from retail stores</b>		
Clothes	54	37%
Gadgets	27	19%
Food items	46	32%
Footwear	18	12%
Total	145	100%
<b>Monthly household income</b>		
Below 50,000	63	43%
50,000- 1,00,000	60	42%
Above 1,00,000	22	15%
Total	145	100%

Table 1 presents demographic profile of the respondents. There are 50% males and 50% females in the study. Among the respondents 45% are below 18 years, 19% are 18-45 years and 36% are above 45 years of age. Also, 37% of the respondents buy clothes from retail store, 19% buy gadgets from retail store, 32% buy food items from retail stores and rest 12% buy footwear from the retail stores. The percentage of respondents having an income of less than 50,000 is 43%, 50000-100000 is 42% and above 100000 is 15%.

Image building is an essential tool for both attracting and retaining customers (4.45), A happy environment in the retail stores create a joyful experience for the customers (4.43), The space in the retail store is a crucial point of communication between the customer and the retailer (4.39), Environment influences the emotions of the consumers and

boosts the satisfaction level (4.35), The efforts made by businesses in retaining their customers need to target the right customer segment (4.32). The efforts made by businesses in retaining their customers need to target the right customer segment (4.24), The atmosphere in the store influence consumers' impulsive buying behavior (4.22), The

way retailers sell it is much more important than what they sell (4.01), and The was businesses communicate on different social media platforms and in the physical stores need to be emotionally appealing (3.96) were also viewed as important.

**Table 3:** Factors determining the selection of retail stores by customers

Sr. No.	Factors determining the selection of retail stores by customers	Mean Score	t-Value	Sig
1.	Good will of the brand helps in attracting customers	4.45	11.761	0.000
2.	A happy environment in the retail stores create a joyful experience for the customers	4.43	10.828	0.000
3.	A happy environment in the retail store makes the customer spend additional time in the store and also to buy more	4.49	11.241	0.000
4.	Environment influences the emotions of the consumers and boosts the satisfaction level	4.35	8.243	0.000
5.	The attractive atmosphere of a retail store boosts consumer satisfaction level as well as buying behavior	4.24	7.532	0.000
6.	The efforts made by businesses in retaining their customers need to target the right customer segment	4.32	9.412	0.000
7.	The was businesses communicate on different social media platforms and in the physical stores need to be emotionally appealing	3.96	5.486	0.000
8.	The way retailers sell it is much more important than what they sell	4.01	6.727	0.000
9.	The atmosphere in the store influence consumers' impulsive buying behavior	4.22	8.631	0.000
10.	The space in the retail store is a crucial point of communication between the customer and the retailer	4.39	10.737	0.000

Table 3 shows the results of t-test. It is found from the table that the significance value for all the statements is below 0.05, hence all the statements regarding Factors determining the selection of retail stores by customers are significant.

### Conclusion

Retail is a comprehensive package which gives the buyer a lot many facilities such as convenience of the stores, shopping environment, discounts, and new products. The Stores are companions of the shoppers and also provide them updates with the new arrivals and also about many new things. The empirical results of the study indicate that attractive atmosphere, happy environment and way of selling products is even more important than what a store is selling actually. Good store environment has a direct impact on the customers' emotions and finally it leads to more time spending in the store ultimately the results is better and more shopping by the customer.

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