

Deciding Where to Buy: Store Choice Behaviour of Indian Shoppers

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Store choice is a decision that a shopper is fairly involved in. It is important for a store to understand this behaviour for developing marketing strategies to attract and keep its clientele. It is found that shoppers choose the store based on many aspects that could be classified as primary and image based. It is also found that the importance of each of these aspects changes with the kind of store the shopper wants to visit. In the Indian context where the shopper does not have much variety in store format, the type of store is recognized by the kind of product the store deals in. The paper is an attempt to understand this behaviour of the shopper. The shoppers are explored for the primary reasons for choosing a store. Then, using a factor analysis, the several image dimensions are classified. Further, using multinomial logit regression, the store choice pattern is studied across different types of store. Implications for the managers in the retail business are drawn and future research directions have been highlighted.

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Introduction

Store choice and patronage has been widely studied across the world. This phenomenon has gained significance in Indian markets with the introduction of larger and diverse retail formats by organized players. They are providing new experiences and options for shoppers. Both retailers and shoppers are currently in the evaluation phase with no clear verdict as to what may drive the choice of stores to shop in. Unfortunately, this has led to very high footfalls into stores but low conversions in terms of actual purchase, resulting in high cost of service and hence lower profitability for retailers.

Given the retailing scenario which seems to be driven more by euphoria evidenced by the fact that new expansions are adaptations of western formats fetching moderate to lukewarm success, there is a growing need to evaluate the true drivers of shopping behaviour in the Indian context. The hallmark of Indian retailing — the small shop with a high level of service — is holding shoppers back to traditional ways of shopping. To a large section of customers, the new formats are not perceived to add enough value, except for novelty. Even successful chains like FoodWorld and Shopper's Stop are holding back new expansions.

The present paper is an attempt to understand store choice behaviour of shoppers. Currently, there is limited information and literature available in the public domain regarding Indian shopping behaviour, especially in the context of the changing retailing environment. The primary motivation behind this study is to identify major drivers behind choice of stores for various shopping needs as exhibited by a typical Indian consumer. Although confined to Ahmedabad, the study has thrown up some interesting findings which find parallels in earlier studies.

Literature Review on Store Choice

Store Choice a Cognitive Process

Store choice is classified in literature as primarily a cognitive process. Store choice behaviour of shop-

pers has been found to be similar to brand choice, the only difference being the importance of the spatial dimension. While brand choice is devoid of any geography, the choice of a store is very much influenced by location (Fotheringham, 1998 and Meyer and Eagle, 1982). It is as much an information processing behaviour as any other purchase decision. In a study of store choice behaviour among audio equipment shoppers, Dash, Schiffman and Berenson (1976) found that the level of pre-purchase information regarding the brand determined the type of store chosen. Shoppers who had higher level of pre-purchase information generally shopped at the speciality store, whereas shoppers with low pre-purchase information bought at departmental stores. This is mainly attributed to customers adopting a risk reduction policy with regards to their impending purchase. A store is chosen based on the self-confidence that the customer has regarding the store about the nature and quality of product and service he would receive. The importance placed on the customer's familiarity with the store will depend upon the perceived risk in making an erroneous purchase and the importance of the product category to the shopper.

The store choice problem has also been studied using the framework of diffusion of innovation propounded by Cunningham cited in Hisrich, Dornoff, and Kernan (1972). They found that the perceived risk attached to the product is also transferred to the store and such transfer is more likely for product categories that do not have strong brands associated with them.

Store Choice and Shopper Characteristics

Dodge and Summer (1969) and Aaker and Jones (1971) found store choice to be dependent on socio-economic background of consumers, their personality, and past purchase experience. Lumpkin, Greenberg, and Goldstucker (1985) found that elderly customers behave differently from younger ones in terms of the type of store patronized. The former group is less price-conscious and proximity of residence to store is not an important factor. They consider shopping as a recreational activity and choose a store that is perceived to be high on "entertainment" value.

The choice of a store is affected by the brand being bought as well as the personal values that the shopper cherishes (Erdem, Oumlil, and Tuncalp, 1999). Hence, a shopper with high personal gratification value would attach more importance to store status than a self-reliant intellectual type shopper.

The concept of positioning of stores has been captured in marketing literature in the last decade. Shoppers look for and develop "hot buttons" that help in choosing among stores (Woodside and Trappey, 1992). Shoppers can quickly name the store that provided with these buttons such as 'most convenient' or 'lowest prices' hence reducing the cognitive dimension in the decision problem.

Store Choice: A Decision Problem

Leszczyc, Sinha, and Timmermans (2000) have shown that store choice is a dynamic decision and can be conceptualized as a problem of deciding when and where to shop. The first decision is the traditional store location choice problem. The second is the shopping trip incidence problem relating to the timing of shopping trips. The two decision processes are correlated. Store choice is dependent on the timing of shopping trips as consumers may go to a local store for short 'fill-in' trips and go to a more distant grocery store for regular shopping trips (Kahn and Schmittlein, 1989). Both decisions are influenced by shopper characteristics and consumption patterns (Leszczyc and Timmermans, 1979; Kim and Park, 1997).

Another dimension that has been found to influence the store choice decision has been the type of shopping task. A task is defined as the goals set by the shopper to fulfil the needs derived out of a specific situation. Kenhove, Wulf, and Waterschoot (1999) found that store choice is differentiated by the nature of the task. They studied the store choice decision across various tasks as described by the respondents such as urgent purchase, large quantities, difficult job, regular purchase, and get ideas. The chosen stores differed in their salience rating depending on the task the shopper intended to perform. The salience of stores has also been found to be affected by situational factors. Mattson (1982) found that situational attributes such as time pressure and gift-versus self-shopping can influence store choice and attribute salience. It is also indicated that the situational influence needs to be evaluated for every visit and hence some shoppers may change their choice because of situation-specific drivers. These situational influences may be classified as competitive setting, the individual's situational set, and the shopping occasion. The shopper may also evaluate each of the situations in the light of the cost incurred and the utilities derived out of shopping. Bell, Ho, and Tang (1998) suggest that these costs of shopping can be classified as fixed and variable. The variable cost is related to the basket size or the list and hence is likely to change with every trip. The fixed cost,

such as location of the store or the price format, would remain unchanged over list size. They suggest that these costs can be converted into utilities for each of the shoppers by the store. In a study of the two price formats, Every Day Low Prices (EDLP) and High Low (HILO), they found that the store can influence the choice of the shoppers by enhancing the perceived utilities (Tang, Bell, and Ho, 2001). Malhotra (1983) proposes a concept of preference threshold. Shoppers tend to show a preference for a store depending on the threshold value allotted by them. It is assumed that if the perceived value is less than the threshold, the shopper may not choose the store. The threshold value for an individual customer is affected to a large extent by the image characteristics of the store.

A broad conclusion about store choice behaviour among consumers indicates that image and perceptions along with individual characteristics have significant impact on the final outcome. Perceptions about stores are, in turn, driven substantially by tangible characteristics of stores such as format or list size, or even distance of store from home. Interestingly, a major finding is the influence of the type of product sought and its influence on the nature of stores patronized.

While the basic principles of consumer behaviour driving store choice may be valid across environments, very few research studies have focused on the nature of shopping behaviour exhibited in the Indian environment. Indian retailing is still largely controlled by manufacturers. Retailers have in recent times started organizing themselves and are gaining recognition as independent business entities. Indian retailing is witnessing the entry of large retailers with different formats and product categories. Most research in this area is still proprietary in nature and hence is away from the public domain. Most of those papers have looked at the marketing decisions taken by retailers/companies using point of sale (POS) data (Banerjee and Banerjee, 2000; Banerjee and Divakar, 2000; Banerjee, 2001). Venugopal (2001) investigated the retail business from the viewpoints of a retailer's expectations from suppliers. Given the rapid rate at which new retail formats have been introduced in India in recent times with limited success, it is imperative for Indian businesses to understand the changing shopping behaviour among consumers especially with regards to their preferred points of purchase. With better disposable incomes and improved infrastructure, consumers have a wide choice of stores to shop at. It is, therefore, necessary for retailers to understand

shoppers' motivations and attract customers residing beyond the hitherto considered catchment areas around the store.

Research Methodology

Given the limited amount of information available on shopping behaviour in India, we decided to design an exploratory study to identify major preferences among shoppers in India. This involved a field survey conducted across different stores in Ahmedabad. Respondents were approached at the shop after they had finished shopping and were leaving the store. It was felt that shop intercept (exit interviews) would capture the recency effect and an interview away from the shop might bring only "visualized perception" and not the real experience. It would also focus on the decision about the choice of store for a specific purchase incidence, since each purchase occasion may actually be different. Respondents were administered a structured questionnaire using a set of 43 statements measured on a Likert type scale. These statements were derived from the literature survey (Berry, 1969, 2001; Jolon and Spath, 1973; Martineau, 1958) as also discussion with some retailers. Responses were also sought regarding their patronage behaviour. A convenience sample was drawn to capture shoppers buying different products. Since in most cases the product defined the store chosen, they were contacted at different stores that dealt in these products. The profile of 247 respondents is given in Exhibit 1. The profile is skewed toward the higher Social Economic Classification (SEC) as the shops chosen were located in such areas. A multinomial logit analysis was carried out for the primary choice variables and perception variables. Findings were corroborated to determine the drivers of store choice.

Findings and Analysis

Shoppers choose their store for several reasons as shown in Table 1. Convenience and merchandise are the primary reasons with more than 70 per cent of respondents indicating these as their first reason. The third reason is ambience (8%) and patronized store (8%). On a composite basis, they account for about 60 per cent and service becomes the third important reason (15%). This response was gathered through an open-ended question. Respondents were probed up to three reasons, the first reason being the top-of-mind. The study captured about 96 different responses that could be classified into seven categories (Exhibit 2). Out of 247 respondents, only 100 (40%) could provide three reasons.

Table 1: Reasons for the Choice of the Store

Reason	First Reason		Second Reason		Third Reason		Total	
	Frequency	Valid Per cent	Frequency	Valid Per cent	Frequency	Valid Per cent	Frequency	Valid Per cent
Convenience	93	37.65	37	21.39	22	22	152	29.23
Merchandise	79	31.98	56	32.37	21	21	156	30
Ambience	19	7.69	17	9.83	14	14	50	9.62
Service	16	6.48	37	21.39	27	27	80	15.38
Patronized	20	8.1	10	5.78	6	6	36	6.92
Referral	9	3.64	9	5.2	8	8	26	5
Others	11	4.45	7	4.05	2	2	20	3.85
Total	247	100	173	100	100	100	520	100
System (No Response)			74		147			
Grand Total			247		247			

Seventy per cent of them had two reasons. This indicates that shoppers generally have just one good reason, at the most two, for visiting a store. This was found across different types of stores visited/products bought (Table 2). It is important as a store will have to provide a very clear reason for its choice. Convenience has scored high in the case of grocery/fruits and vegetables, chemists, lifestyle, and paan/cigarettes. However, in the case of durables, books and music, apparels and accessories, merchandise was a more important reason. The association of reason with the type of product bought was found significant. The strength is moderate but significant. It can be inferred that shopping in the former case is defined more in terms of the effort required to reach a store, whereas in the latter case the value of shopping is determined by the choice provided and the opportunity to browse. It may be interesting to study the pre-purchase information acquisition in each of the cases.

Store Choice and Demographics

The association of choice of store with the age of the person was also found to be significant (Table 3). However, the strength is low and not statistically significant. Proximity and merchandise again were the primary factors across all age groups. In the case of convenience, the age groups of 30-40 years and 41-50 years showed a higher preference for these two factors. The least number of responses came from the age groups of 15-19 years and 50+ years. Merchandising was preferred more in the age group of 25-29 years and 30-40 years. These two age groups were also concerned about ambience. While service was a clear choice of the age group of 30-40 years, buying from a patronized store was seen

across all age groups, though the younger and 50+ age groups did not attach much importance to this factor. It can be seen that the age group of 30-40 years is the most discerning category followed by the age group of 25-29 years. Age also had a significant relationship with the type of product bought (Table 4).

Another factor that had an impact on store choice is gender (Table 5). Men opted for shops more on the basis of proximity whereas women gave more importance to merchandise. While about 40 per cent of men went to a store for convenience and about 30 per cent for merchandise, the order was reversed in the case of women. Men showed inclination towards ambience. Women opted more for stores that they had been patronizing. This reflects the difference in the motive of shopping. Men seem to take it as a chore and drudgery and would like to complete the job with least possible effort, whereas women would like to compare brands and spend more time at one store compared to men. Men show the tendency to "go-and-grab." On the other hand, women would look at the brand spread and gather more information before making a purchase. It seems to be a function of the level of involvement in the process of shopping, since men show a similar behaviour when choosing a paan/cigarette store. A study of the attitude of men and women towards shopping and its relationship with store choice would provide more insight into this phenomenon.

Other variables that were found to be affecting store choice were distance travelled by shoppers and association with the store. It is clear from Table 6 that shoppers would like to maximize the value of proximity. However, they do not mind travelling a

Table 2: Type of Store and Reason for Choice of the Store

Type of Store		Reason for Choice of the Store							
		Convenience	Merchandise	Ambience	Service	Patronized	Referral	Others	Total
Grocery/ Fruits and Vegetables	Count	40	29	4	8	14	2	3	100
	% Within Type of Store	40	29	4	8	14	2	3	100
	% Within Reason	43.01	36.71	21.05	50	70	22.22	27.27	40.49
	% of Total	16.19	11.74	1.62	3.24	5.67	0.81	1.21	40.49
Durables	Count	11	14	5	4	3	6	1	44
	% Within Type of Store	25	31.82	11.36	9.09	6.82	13.64	2.27	100
	% Within Reason	11.83	17.72	26.32	25	15	66.67	9.09	17.81
	% of Total	4.45	5.67	2.02	1.62	1.21	2.43	0.4	17.81
Chemist	Count	22	2	1	1	2			28
	% Within Type of Store	78.57	7.14	3.57	3.57	7.14			100
	% Within Reason	23.66	2.53	5.26	6.25	10			11.34
	% of Total	8.91	0.81	0.4	0.4	0.81			11.34
Lifestyle	Count	5	3	1					9
	% Within Type of Store	55.56	33.33	11.11					100
	% Within Reason	5.38	3.8	5.26					3.64
	% of Total	2.02	1.21	0.4					3.64
Books and Music	Count	2	6	2	1				11
	% Within Type of Store	18.18	54.55	18.18	9.09				100
	% Within Reason	2.15	7.59	10.53	6.25				4.45
	% of Total	0.81	2.43	0.81	0.4				4.45
Apparel	Count	2	15	2			1	4	24
	% Within Type of Store	8.33	62.5	8.33			4.17	16.67	100
	% Within Reason	2.15	18.99	10.53			11.11	36.36	9.72
	% of Total	0.81	6.07	0.81			0.4	1.62	9.72
Paanl Cigarette	Count	9	6	4	2	1		1	23
	% Within Type of Store	39.13	26.09	17.39	8.7	4.35		4.35	100
	% Within Reason	9.68	7.59	21.05	12.5	5		9.09	9.31
	% of Total	3.64	2.43	1.62	0.81	0.4		0.4	9.31
Accessories	Count	2	4					2	8
	% Within Type of Store	25	50					25	100
	% Within Reason	2.15	5.06					18.18	3.24
	% of Total	0.81	1.62					0.81	3.24
Total	Count	93	79	19	16	20	9	11	247
	% Within Type of Store	37.65	31.98	7.69	6.48	8.1	3.64	4.45	100
	% Within Reason	100	100	100	100	100	100	100	100
	% of Total	37.65	31.98	7.69	6.48	8.1	3.64	4.45	100

p=0.000; C=0.54; p=0.000.

distance when the store is offering a good value in merchandise and to certain extent in ambience. The analysis carried out on the image dimensions, described later in the article, brings this out more clearly. There are indications that the type of store can be the determining variable regarding the effort shoppers would expend in reaching the store.

It can be seen that about 35 per cent of shoppers visit stores located beyond three kilometre from their homes. The primary driving force is the merchandise and ambience of the store. It could be inferred that such long visits happen in the case of stores that sell high value products or are destination stores. It may also be because the visit is treated as a leisure activity than a shopping linked activity.

Primary Store Choice Variables

The study elicited responses from shoppers about their primary reason for visiting the store on that day. It was an open-ended question. The responses could be categorized into seven groups (Exhibit 2). Multinomial logit analysis was carried out using these variables for understanding store choice. The type of product bought, as the dependent variable, was the surrogate for store choice. The results are given in Table 7.

Grocery/Fruits and Vegetable Stores: Shoppers visit such stores based more on proximity and patronization as compared to paan/cigarette stores. The shopper would like to reduce travel time. However, as indicated by a higher score, in case

Table 3: Age and Reason for Choice of the Store

Age		Reason							Total
		Convenience	Merchandise	Ambience	Service	Patronized	Referral	Others	
15-19	Count	9	3	1			1	1	15
	% Within Age	60.00	20.00	6.67			6.67	6.67	100.00
	% Within Reason	10.00	3.85	5.26			12.50	9.09	6.20
	% of Total	3.72	1.24	0.41			0.41	0.41	6.20
20-24	Count	18	19	2	3	2	2	3	49
	% Within Age	36.73	38.78	4.08	6.12	4.08	4.08	6.12	100.00
	% Within Reason	20.00	24.36	10.53	18.75	10.00	25.00	27.27	20.25
	% of Total	7.44	7.85	0.83	1.24	0.83	0.83	1.24	20.25
25-29	Count	14	23	4	2	3	2	3	51
	% Within Age	27.45	45.10	7.84	3.92	5.88	3.92	5.88	100.00
	% Within Reason	15.56	29.49	21.05	12.50	15.00	25.00	27.27	21.07
	% of Total	5.79	9.50	1.65	0.83	1.24	0.83	1.24	21.07
30-40	Count	25	27	10	10	8	1	2	83
	% Within Age	30.12	32.53	12.05	12.05	9.64	1.20	2.41	100.00
	% Within Reason	27.78	34.62	52.63	62.50	40.00	12.50	18.18	34.30
	% of Total	10.33	11.16	4.13	4.13	3.3	0.41	0.83	34.30
41-50	Count	19.00	6.00	2.00	1.00	5.00	2.00	2.00	37.00
	% Within Age	51.35	16.22	5.41	2.70	13.5	5.41	5.41	100.00
	% Within Reason	21.11	7.69	10.53	6.25	25.00	25.00	18.18	15.29
	% of Total	7.85	2.48	0.83	0.4	2.07	0.83	0.83	15.29
50+	Count	5				2			7
	% Within Age	71.43				28.57			100.00
	% Within Reason	5.56				10.00			2.89
	% of Total	2.07				0.83			2.89
Total	Count	90	78	19	16	20	8	11	242
	% Within Age	37.19	32.23	7.85	6.61	8.26	3.31	4.55	100.00
	% Within Reason	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	% of Total	37.19	32.23	7.85	6.61	8.26	3.31	4.55	100.00

p=0.05; C=0.38; p=0.11.

Table 4: Age and Type of Store

Age		Type of Store							Total	
		Grocery/ Fruits and Vegetables	Durables	Chemist	Lifestyle	Books and Music	Apparel	Paan/ Cigarette		Accesories
15-19	Count	5	1	2		1	1	4	1	15
	% Within Age	33.33	6.67	13.33		6.67	6.67	26.67	6.67	100.00
	% Within Type of Store	5.15	2.38	7.14		9.09	4.17	17.39	12.50	6.20
	% of Total	2.07	0.41	0.83		0.41	0.41	1.65	0.41	6.20
20-24	Count	20	3	4	4	7	5	5	1	49
	% Within Age	40.82	6.12	8.16	8.16	14.29	10.20	10.20	2.04	100.00
	% Within Type of Store	20.62	7.14	14.29	44.44	63.64	20.83	21.74	12.50	20.25
	% of Total	8.26	1.24	1.65	1.65	2.89	2.07	2.07	0.41	20.25
25-29	Count	16	15	2	3	2	6	5	2	51
	% Within Age	31.37	29.41	3.92	5.88	3.92	11.76	9.80	3.92	100.00
	% Within Type of Store	16.49	35.71	7.14	33.33	18.18	25.00	21.74	25.00	21.07
	% of Total	6.61	6.20	0.83	1.24	0.83	2.48	2.07	0.83	21.07
30-40	Count	31	15	12	2	1	11	8	3	83
	% Within Age	37.35	18.07	14.46	2.41	1.20	13.25	9.64	3.61	100.00
	% Within Type of Store	31.96	35.71	42.86	22.22	9.09	45.83	34.78	37.50	34.30
	% of Total	12.81	6.20	4.96	0.83	0.41	4.55	3.31	1.24	34.30
41-50	Count	20	7	7			1	1	1	37
	% Within Age	54.05	18.92	18.92			2.70	2.70	2.70	100.00
	% Within Type of Store	20.62	16.67	25.00			4.17	4.35	12.50	15.29
	% of Total	8.26	2.89	2.89			0.41	0.41	0.41	15.29
50+	Count	5.00	1.00	1.00						7.00
	% Within Age	71.43	14.29	14.29						100.00
	% Within Type of Store	5.15	2.38	3.57						2.89
	% of Total	2.07	0.41	0.41						2.89
Total	Count	97	42	28	9	11	24	23	8	242
	% Within Age	40.08	17.36	11.57	3.72	4.55	9.92	9.50	3.31	100.00
	% Within Type of Store	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	% of Total	40.08	17.36	11.57	3.72	4.55	9.92	9.50	3.31	100.00

p=.03; C=.42; p=.03.

shoppers have been buying from the store for a longer time period, they do not mind buying from a store located at a distance. The importance of relationship/comfort level with the retailer is being stressed in the case of grocery stores. There seems to be an indication of inherent loyalty to stores in this category. So, when the experience of shopping is good, there is a high likelihood of the next visit. The shopper would trade-off the extra travel effort with the experience. Such an experience can be provided through services and merchandise. Both these factors do become important factors at 88 per cent significance level. However, proximity would

be the most important driver of loyalty to a grocery store. Ambience is not a very important factor for shoppers of this product category. Shoppers may not visit stores recommended by others.

Consumer Durables: While shopping for durables, consumers attach more importance to merchandise, referral, and ambience in comparison to a *paan/cigarette* store. They prefer to visit those stores that have depth and width and look for variety. Stores that offer good prices and discounts are also visited. Shoppers are also concerned about the quality. The effort is an indication of maximizing the value for

Table 5: Gender and Reason for Choice of Store

Reason		Gender		Total
		Male	Female	
Convenience	Count	65	28	93
	% Within Reason	69.89	30.11	100.00
	% Within Gender	40.63	32.18	37.65
	% of Total	26.32	11.34	37.65
Merchandise	Count	42	37	79
	% Within Reason	53.16	46.84	100.00
	% Within Gender	26.25	42.53	31.98
	% of Total	17.00	14.98	31.98
Ambience	Count	16	3	19
	% Within Reason	84.21	15.79	100.00
	% Within Gender	10.00	3.45	7.69
	% of Total	6.48	1.21	7.69
Service	Count	11	5	16
	% Within Reason	68.75	31.25	100.00
	% Within Gender	6.88	5.75	6.48
	% of Total	4.45	2.02	6.48
Patronized	Count	11	9	20
	% Within Reason	55.00	45.00	100.00
	% Within Gender	6.88	10.34	8.10
	% of Total	4.45	3.64	8.10
Referral	Count	5	4	9
	% Within Reason	55.56	44.44	100.00
	% Within Gender	3.13	4.60	3.64
	% of Total	2.02	1.62	3.64
Others	Count	10	1	11
	% Within Reason	90.91	9.09	100.00
	% Within Gender	6.25	1.15	4.45
	% of Total	4.05	0.40	4.45
Total	Count	160	87	247
	% Within Reason	64.78	35.22	100.00
	% Within Gender	100.00	100.00	100.00
	% of Total	64.78	35.22	100.00

p=0.02; C=0.22; p=0.03.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.45690166	6	0.036328
Likelihood Ratio	14.48212207	6	0.024691
Linear-by-Linear Association	0.174635859	1	0.676024
N of Valid Cases	247		

a 2 cells (14.3%) have expected count less than 5. The minimum expected count is 3.17.

Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Contingency Coefficient	0.227303	0.036328
N of Valid Cases	247	

a Not assuming the null hypothesis,

b Using the asymptotic standard error assuming the null hypothesis.

Table 6: Distance and Reason for Choice of the Store

<i>Reason</i>		<i>Distance from the Store</i>							<i>Total</i>
		<i>Less than 1/2 km</i>	<i>1/2 to 1 km</i>	<i>1-2 km</i>	<i>2-3 km</i>	<i>3-5 km</i>	<i>5-7 km</i>	<i>More than 7 km</i>	
Convenience	Count	28	19	14	11	11	6	4	93
	% Within Reason	30.11	20.43	15.05	11.83	11.83	6.45	4.30	100.00
	% Within Distance	54.90	46.34	36.84	35.48	25.58	20.69	28.57	37.65
	% of Total	11.34	7.69	5.67	4.45	4.45	2.43	1.62	37.65
Merchandise	Count	9	11	12	9	21	14	3	79
	% Within Reason	11.39	13.92	15.19	11.39	26.58	17.72	3.80	100.00
	% Within Distance	17.65	26.83	31.58	29.03	48.84	48.28	21.43	31.98
	% of Total	3.64	4.45	4.86	3.64	8.50	5.67	1.21	31.98
Ambience	Count	1	4	2	2	7	2	1	19
	% Within Reason	5.26	21.05	10.53	10.53	36.84	10.53	5.26	100.00
	% Within Distance	1.96	9.76	5.26	6.45	16.28	6.90	7.14	7.69
	% of Total	0.40	1.62	0.81	0.81	2.83	0.81	0.40	7.69
Service	Count	2	2	3	3	1	3	2	16
	% Within Reason	12.50	12.50	18.75	18.75	6.25	18.75	12.50	100.00
	% Within Distance	3.92	4.88	7.89	9.68	2.33	10.34	14.29	6.48
	% of Total	0.81	0.81	1.21	1.21	0.40	1.21	0.81	6.48
Patronized	Count	8	3	5	2	1	1		20
	% Within Reason	40.00	15.00	25.00	10.00	5.00	5.00		100.00
	% Within Distance	15.69	7.32	13.16	6.45	2.33	3.45		8.10
	% of Total	3.24	1.21	2.02	0.81	0.40	0.40		8.10
Referral	Count	1	1		1	1	2	3	9
	% Within Reason	11.11	11.11		11.11	11.11	22.22	33.33	100.00
	% Within Distance	1.96	2.44		3.23	2.33	6.90	21.43	3.64
	% of Total	0.40	0.40		0.40	0.40	0.8	1.21	3.64
Others	Count	2	1	2	3	1	1	1	11
	% Within Reason	18.18	9.09	18.18	27.27	9.09	9.09	9.09	100.00
	% Within Distance	3.92	2.44	5.26	9.68	2.33	3.45	7.14	4.45
	% of Total	0.81	0.40	0.81	1.21	0.40	0.40	0.40	4.45
Total	Count	51	41	38	31	43	29	14	247
	% Within Reason	20.65	16.60	15.38	12.55	17.41	11.74	5.67	100.00
	% Within Distance	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	% of Total	20.65	16.60	15.38	12.55	17.41	11.74	5.67	100.00

p=0.03; 0.44; p=0.012.

Table 7: Logit (Primary Choice Variables)

<i>Apparels</i>	<i>Effect</i>	<i>Type of Store</i>				
		<i>Grocery /Fruits and Vegetables</i>	<i>Durables</i>	<i>Chemist</i>	<i>Composite</i>	<i>Apparels</i>
	Intercept	-2.5176				-2.600
3.2447	Proximity	0.8695*				
0.9251	Merchandise		2.4669	-2.1986		2.2127
-1.7285	Ambience		1.6337		-0.7685	2.4404
	Service			-1.7326*		
	Patronized	1.4825*				
-1.3881	Referral		2.0256			
1.2096	Others		2.2790*			3.2991
-1.2119	* p < 0.10, else < 0.05					

the price paid. In the process, they ask other shoppers about the stores. The ambience reflected in terms of lighting, setting, and comfort also determines store choice. A good display of products so that shoppers can look around and touch and feel the products becomes an important consideration for such stores. Shoppers also visit company or branded outlets in this product category. Like brands, they seem to build a set of stores before they make a decision to buy the brand. They intend to maximize the returns from the brands as well as stores. It is, therefore, imperative for such stores to stock and display a minimum required number of brands and models to ensure visits by shoppers. Given the small size of stores in India, this is a challenge for the stores as well as brands that have small market share.

Chemist: Shoppers seem to attach much less importance to merchandise and service compared to *paan/cigarette* stores. They also do not expect the value of ambience. It seems that the shopper would like to get over with the purchase as soon as possible. Shopping happens because there is compulsion to buy.

Composite (Books and Music, Accessories, and Lifestyle Products): These stores tend to attract shoppers based on the ambience of the store in relation to *paan/cigarette* stores. Shoppers want a comfortable place to shop as they tend to spend more time. Lighting, displays, and good looks of the store become important variables affecting store choice. Shoppers would buy at a leisurely pace in such stores. In many cases, these stores are also used for spending waiting or spare time or meeting friends.

Apparel Stores: Shoppers value merchandise, ambience and other factors like exclusive or branded

stores compared to a *paan/cigarette* store. Their behaviour is similar to that in a durable store. They want variety and would like to touch and feel the product. They would like the store to be comfortable and well laid out to facilitate their search process. Shoppers also visit branded outlets. The range of the items, in terms of product and price, is important. They would like to satisfy themselves about the right choice before finalizing on their purchase.

Image Perceptions about the Store Patronized

An interesting juxtaposition of determinants of choice to perceptions about stores was attempted by eliciting the observations of respondents visiting various types of store on the level of various service and physical parameters (43 in number) related to the store visited by them. These parameters were factor analysed to obtain ten factors which accounted for 65 per cent of the original variance (Table 8). The relationship between the type of store visited and consumers' perception regarding the store on various dimensions (factors) was again measured using a multinomial logit model. The perception scores were recorded on completion of the visit to the store.

The type of store (product category sold) was the dependent variable and the ten factors were independent variables. The factor score of each of the factors was used as the input. The result of the logit analysis is given in Table 9. Shoppers perceive stores in a multidimensional way and the dimensions vary significantly across the type of stores frequented (classified based on the product type sold).

Grocery/Fruits and Vegetables Stores: Respondents who were approached at these stores reported the most diverse set of observations. There was generally

Table 8: Image Dimensions

<i>Variables</i>	<i>Factors</i>									
	<i>Ambience and Facilities</i>	<i>Perceived Risk</i>	<i>Staff</i>	<i>Convenience</i>	<i>Entertainment</i>	<i>Brand Spread</i>	<i>Speciality Outlet</i>	<i>Service</i>	<i>Proximity</i>	<i>Parking</i>
Good Ambience	0.813									
Stylistic	0.790									
Better Layout	0.772									
Better Lighting	0.770									
Nice Display	0.764									
Good Frontage	0.694									
Offers Pick and Choice	0.669									
Accepts Credit Cards	0.652									
More Variety	0.613									
Prestigious	0.587									
Recommended by People	0.565									
Prefer to Purchase	0.517									
Performs as Expected		0.679								
Good Quality Products		0.669								
Best Quality		0.630								
Reliable		0.607								
Risk Free		0.589								
Easy Availability		0.556								
Value for Money		0.526								
Fair Prices										
Latest Products										
Caring Staff			0.858							
Efficient Staff			0.783							
Helpful Staff			0.764							
Trustworthy Salesmen			0.560							
Takes Order on Phone				0.753						
Provides Out of Stock Products			0.638							
Open on Weekends				0.603						
Neighbour Buys				0.540						
Breaks Monotony					0.869					
Stress Buster					0.849					
Suitable for Window Shopping				0.603						
Availability of Preference Brands						0.813				
Stocks all Brands						0.804				
Specialized Store							0.659			
Authorized Outlet							0.581			
Repairs and Replacements								0.788		
Not Crowded								0.679		
Store does not Intimidate										
Near Workplace									0.677	
Near Home									0.588	
Offers Discounts										
Enough Parking Space										0.571
% Variance	16.621	9.438	7.012	6.710	5.493	4.811	4.543	3.856	3.501	2.999

an agreement that convenience and brand spread (number of brands available) were the most significant features of the stores that were visited. Perceived risk of purchase of merchandise from the specific store and proximity of store to residence also take a significant share of perception about the store visited. Ambience and facilities, which are the mainstays of newly opened stores, surprisingly do not figure as top of mind perceptions regarding this type of stores in general. Interestingly, brand spread and convenience, rated high in perception, do not figure as highly significant drivers of store choice.

Consumer Durables: Respondents interviewed at these stores agreed that their perceived risk associated with buying goods from the particular store was minimal. Also, the customer service provided by the stores where durables were purchased was high. This is probably representative of the buying behaviour of the shoppers who would require a lot of pre-purchase information and rely partly on in-store service to acquire relevant information towards minimizing the risk from the purchase. The effort expended by shoppers is aimed at deriving maximum value for the money spent. This is very much in line with a major driver for store choice as discovered in the earlier analysis, personal referrals, which is intended to reduce the risk of wrong purchase. It is interesting to note that availability of a large brand spread is not a consistent observation with respondents visiting these stores, though merchandise is

recorded as a strong motivator for store choice (see earlier section). This could be attributed to commoditization of the category, where there are no distinct brand preferences and purchase happens only after enough information about all brands in the choice set has been compared.

Chemists: Respondents at these stores offered responses similar to the ones recorded for grocery shops. Proximity to residence is an observation significantly associated with the stores visited by respondents in this category. It may be recalled that for chemists none of the store-related dimensions was a major driver of choice vis-a-vis some other type of stores. Compulsion to buy drugs was seemingly the most prominent driver. Any customer-related service provided by the chemist would be looked upon as a premium. It demonstrates the nature of purchase that would be emergency or compulsory in most cases.

Composite Stores (Lifestyle, Books, and Accessories): Shopping experience at these stores seems to revolve more on the entertainment value, ambience, and other peripheral facilities. Unlike the first three categories, shoppers seem to observe in-store variables compared to the product-specific dimensions. This can be attributed to the fact that shopping in such places is considered to be a leisure activity. This is much in line with the prime motivation to visit the store.

Table 9: Logit (Image Dimension of Store Choice)

Effect	Type of Store				
	Grocery/Fruits and Vegetables	Durables	Chemist	Composite	Apparels
Intercept	2.4552	1.3237			
Ambience and Facilities	-1.4159	1.052	-2.4518	1.6166	3.2447
Perceived Risk	1.3276	1.3228			0.9251
Staff		-0.9548		-0.7685	-1.7285
Convenience	2.0411				
Entertainment	-1.7972	-0.8701	-1.784		
Brand Spread		1.1443		-0.7911	-1.3881
Speciality Outlet	-1.6329				
Service	0.8989	0.9815			1.2096
Proximity			1.4362 -		
Parking	-1.2339	-1.6804	0.8184		-1.2119

p<0.05.

Apparels: This is a product category where store design, ambience, and visual merchandising have always been given importance as suggested in literature. Shoppers in this study corroborate this observation. The only significant dimension turned out to be the ambience and other peripheral facilities at the store. This is much in line with expectations, which drive store choice. Hence, one can infer that the market offers retail services in line with current expectations in this product category.

Summary and Implications

The major conclusions of this paper are as follows:

- The primary reasons for choosing a store are convenience and merchandise, store ambience and service being other reasons.
- Shoppers would like to minimize the effort of shopping by reducing either the travel time or the time spent in the shop. In the former case, there is a possibility of pre-purchase information processing. In the latter case, shoppers tend to "browse" and hence attach importance to ambience and facilities at the store.
- The gender and age of shoppers drive the choice of store. Monthly household income did come out as a significant factor but it was reflected more in terms of the type of products bought.
- Shoppers in the age group of 30-50 years seek the most from the store and hence use more dimensions in choosing a store.
- Men give more prominence to proximity. Women tend to trade this off with merchandise offered by the store. They also are more regular buyers.
- Ambience and facilities are more important in cases where the shopper spends more time within the store.
- Brand spread in the merchandise is attached more importance in stores that kept the preferred brand and also gave an opportunity to look at other brands.
- Many stores, such as paan/cigarettes outlets, are visited for reasons other than the product. Such stores can be used as a good communication vehicle for building awareness.

Shoppers have shown clear reasons for visiting a store. On an overall basis, shoppers give prominence to proximity of the store, merchandise, and service provided by the store. The importance of these factors is influenced by the type of product,

age, and gender of the shopper. Other demographic variables do not influence significantly. While grocery stores are chosen more on the basis of their proximity and long-term association with merchandise and service secondarily contributing to enhanced utility of the store, consumer durable stores are chosen clearly based on merchandise and personal referrals available with ambience slightly affecting choice. Stores dealing in apparels, books, and music are chosen based purely on ambience. This indicates that, in the latter case, the shoppers want to take a decision after gathering information inside the store. Consumers generally do not have well formed expectations about what to expect in a chemist store other than of course the availability of their product. In case of the first two categories, most purchases seem to be planned. It would be useful to understand the planning process of such shoppers in order to attract them to the store. Shoppers need to be tracked for their purchases, not just from one store but from all stores that they visit. Use of POS data will play a strategic role. However, as POS data capture the transaction at the store level only, in order to capture the total purchase behaviour, consumer panels will have to be established.

Shoppers in the age group of 30-50 years are the most demanding and would like to choose a store that delivers on all the dimensions. Other shoppers tend to choose the store on smaller number of attributes. This could be because they buy for the family and hence the value of purchase as well as frequency of purchase may be high. Also they would visit different types of stores for this purpose. Shoppers in the younger age group buy lesser variety of products and hence visit limited type of stores. Among the shoppers, women tend to be more discerning. They are regular visitors and also frequent stores more. They show a preference for stores that have wider merchandise. Such behaviour is because of the fact that in many cases they buy for other members of the family and hence would like to make a more informed decision.

An interesting corroboration of the motivators for store selection was done by collating the significant observations made by respondents about the store visited and relating them to the drivers of store choice. While not entirely independent, since the two sets of information are collected from the same set of people, we discovered that, in many cases, stores were providing more amenities than was required to drive choice. A prominent example in this category was the chemist store. Even for grocery

stores, we discovered that amenities like convenient shopping options are not yet significant drivers of store choice. This implies that managers need to either refocus on relevant parameters or else promote dimensions which they feel will drive choice more aggressively.

In general, it is evident that the findings are in line with some of the broad conclusions reached in earlier studies (Dash, Schiffman, and Berenson, 1976; Lumpkin, Greenberg, and Goldstucker, 1985; Kenhove, Wulf, and Waterschoot 1999). Store characteristics that positively influence shopping behaviour have been found to vary based on demographics, individual values, and nature of products purchased. In the current study, we have validated these conclusions to a large extent for the Indian market conditions. Further, the current study identifies the relationship between true drivers of store choice to the type of store, which is more generalizable and amenable to managerial

decision-making.

Future Research

This study tried to explain the store choice behaviour of shoppers from buyer characteristics. Being exploratory in nature, it was concerned with the spread of shoppers. It is pretty clear that different store types are chosen for different sets of variables. It may be useful to carry out a study of shoppers of one particular type for a deeper understanding of store choice behaviour. Another dimension of shoppers that needs to be incorporated would be the attitude of shoppers towards shopping and its impact on store choice.

It would also be interesting to study the impact of purchase characteristics of these shoppers on store choice as reflected in pre-purchase information gathering, involvement with the store as well as product, frequency and value of purchase, and understanding the inter-relationship of these variables.

Exhibit 1: Sample Profile

Type of Store	Number	Distance from the Store	Number	Buying Regularly	Number	Frequency of Visit	Number	Gender	Number
Grocery/Fruits and Vegetables	100	Less than ½ km	51	Yes	171	More than Twice a Week	27	Male	160
Durables	44	1/2 to 1 km	41	No	40	Twice a Week	25	Female	87
Chemist	28	1-2 km	38	No Response	36	Once a Week	36	Total	247
Lifestyle	9	2-3 km	31	Total	247	Once a Fortnight	30		
Books and Music	11	3-5 km	43			Once a Month	41		
Apparel	24	5-7 km	29			Once in Six Months	42		
Paan/Cigarette	23	More than 7 km	14			First Time	30		
Accessories	8	Total	247			No Response	16		
Total	247					Total	247		

MHI	Number	Marital Status	Number	Vehicle Owned	Number	SEC	Number
1500-2500	4	Married	159	Two Wheeler	115	A1	134
2501-5000	8	Unmarried	88	Four Wheeler	82	A2	68
5001-7500	11	Total	247	Not Mentioned	50	B	38
7501-10000	29			Total	247	Others	7
10000-20000	104					Total	247
Above 20000	91						
Total	247						

Exhibit 2 :Primary Choice Variables

N) Proximity	Merchandise	Ambience	Service	Patronized	Referral	Others
Location	Good variety	Ambience	Good experience	Long standing	Regular customer	Get-together with friends
I Village is close	Because product is available only here Liked the <i>paan</i>	Comfortable	Good service	Relations with the retailer Been coming here for long	My friends come here Suggested by somebody to buy this product	Vacationing New
Was passing by		Liked the place	Credit given			to the place
Take home	Have come here to buy CDs	Good quality shops are around	Queries are short Quick purchase made here	Been coming here for long / always come here	Known shop Mom asked me to come here	Small purchases
had come for	Easy availability	Better shop				Company showroom
food						
Near my home	Went to office store	Attracted by the display	Retailer has good manners	Repeat purchase	Requested by friends	Branded outlet
Convenient	Availability of quality product	Liked special shopping here	Home delivery	Patronized shop	Famous store	Just tried it out
Close to work place	Offers variety	Good setting	Open for long hours	Old sales force	Reputation	Search for a friend
X) Convenient	Good quality	Good lighting	Because of shopkeeper	Coming to	Good brand	
On my way	Everything is available	Nice ambience	Trained staff	Habit	Communicate	
Proximity to house	Stocks most of the things	Good looks	Reliability	Old association		
Near hospital	Good products	Pass time	Dependability			
Easy and convenient	All available	Chill out				
Convenient	Looked well-stocked	Good experience				
Close to work place	Shopping of other things	Masculine				
Closest to the doctor	Has the necessary things					
	Good range of products					
	Depth in products					
	Good price					
	Discount schemes					
	Value for money					
	Good collection					
	Attractive setting					
	To buy gift for friends					

Note: Responses reproduced verbatim from the respondents.

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