

# The Call of a Retailer

## – A study on retailer evaluation parameters

Frank Sunil Justus .T<sup>1</sup> - Srinivas P.U<sup>2</sup> - Venkadeshwaran .P<sup>3</sup> - M. Ramesh<sup>4</sup>

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*Retail outlets in addition to providing products and services, need to cater for a wide range of motives. The various determinants of retail outlet preference include cleanliness, well – stocked shelves, range of products, helpful staff, disabled access, wide aisles, car parking, multiple billing points, and environmentally friendly goods. These differing motives arise as retailers cater to different types of shoppers who include economic consumers (concern with value), personalized consumers (concern with relationships), recreational shoppers (shopping as a leisure activity) and apathetic consumers (who dislike shopping). Retailers have to satisfy budding consumers, older consumers as well as time crunched individuals whose motives all tend to be conflicting as well as different. The retail industry is classified into grocery, malls apparel, music and books, life style and fashion, and consumer durables. Retailers need to establish a good image to prevent customers from shopping around. They must cater to shoppers need for pleasure and practicality. This study has been based on four dimensions namely merchandise, service, physical factors, and store atmosphere and tries to find out the more important component under each dimension.*

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### Introduction

Retail outlets need to cater for a range of motives as well as simply providing products and services. This includes giving a good value, doing so in an ethical way, providing a personal touch and creating an enjoyable leisure experience. The various determinants of retail outlet preference have been found to be cleanliness, well-stocked shelves, range of products, helpful staff, disabled access, wide aisles, car parking, multiple billing points, and environmentally friendly goods.

Consumers chose retailers based on their range, quality, value and service that the store provides. When the retail environment is set up to appeal to consumer needs more fully, the consumers are encouraged to spend more time and money during each trip. Retailing in India is only 2% of the total global market still the retail sector is second largest employer in the country after agriculture and employees about 10% of the labor force estimated at 39.3 million.

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1. Senior operation engineer, Tuticorin Alkali Chemicals and Fertilizers Limited, and is at present a faculty, Department of business Administration, Annamalai University.
  2. Computer engineer with a postgraduate in Business Administration is a freelance management consultant based in Chennai
  3. MBA student, Department of Business Administration, Annamalai University.
  4. Reader, Department of Business Administration, Annamalai University.
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## Shopper Profile

Retailers cater to different types of shoppers including economic consumers (concern with value), personalized consumers (concern with relationships), recreational shoppers (shopping as a leisure activity) and apathetic consumers (who dislike shopping). The retail industry is classified into grocery, malls, apparel, music and books, lifestyle and fashion, and consumer durables.

Purchase evaluation and customer satisfaction

Consumers evaluation of a purchase can be influenced by the purchase process itself, post purchase dissonance, product use, and product/ package disposition. Consumers may evaluate each aspect of the purchase, ranging from information availability to price to retail service to product performance. Overall satisfaction with a purchase could include satisfaction with the purchase process, including the information available for the decision and the experience of actually making the purchase, as well as satisfaction with the service or product purchased. The marketing effort which happens at the store level and then at the brand level place an important role in building the curiosity factor among the consumers. Retailers should look forward to eliminate the dissatisfaction determinants (Annexure 1) that creep into the customer shopping experience.

## Objective of the Study

This study has been based on four dimensions namely merchandise, service, physical factors and store atmosphere with

five components under each dimension. These components and dimension have been based on book literature and personal interviews.

1. To find out what are the more important components under each dimension.
2. To find correlation between male and female respondents in the dimension of merchandise.

## Methodology

1. Research design: Descriptive non-parametric direct interview method.
2. Sampling: Convenience sampling
3. Sample size: 50
4. Statistical tools : Rank score comparison and Spearman rank correlation

## Limitation

This study was conducted in urban areas. The dimensions and components are applicable to any place but the component ranking may vary based on the geographic profile of the people. The reason for ranking a component high or low was not discussed with the respondent.

## Merchandise

We have classified price, quality of the products, variety, product display, and unique merchandise as the perceived merchandise factors. Many consumers use price as an indicator of quality. Image pricing is especially effective with ego-sensitive products such as cosmetics, dress

materials and expensive cars. Price and quality perceptions of brands interact. Higher priced brands are perceived to possess high quality. American Society for Quality Control defines, "Quality as the totality of features and characteristics of a product or a service that bear on its ability to satisfy an implied need." High-quality business units earn more because premium quality allows them to charge a premium price. Quality image is also affected by packaging, distribution, advertising, and promotion. Displays are an important promotional tool because they can help manufacturer obtain more effective in-store merchandising of products. They are very important to marketers since many consumers make their purchase decisions in the store.. Many retailers develop innovative methods to display their products efficiently, make them stand out in the retail environment, and communicate a sales message to consumers. With more than 80% of supermarket shoppers making their final buying decisions in the store, point of purchase activities by marketers assume an important role. An effective combination of good store layout and attractive displays can change a humdrum retail environment into one that not only is more exciting but also produces more sales. Special displays are used in stores in order to attract shopper attention to one or more products. Distinctive logos and packaging make it more likely that consumers will be cued to purchase by the sight of a product.

## **Service**

The salesperson's job behaviour and psychological well-being can be affected if

there are perceptions of role ambiguity or conflict or if these perceptions are inaccurate. There is a good deal of evidence, for example, that levels of both perceived ambiguity and conflict are directly related to mental anxiety and tension and job satisfaction. Employees of a retailer are instrumental in influencing the store's image. Door-in-the-face is used by sales staff to encourage more expensive purchases, by offering the top of the range products first and then working down to the lower. The average sale has been found to be considerably more than if the reverse is done. Consumers desire to trade where store personnel, particularly sales people, are perceived as helpful, friendly and courteous. Customer Services Retail stores offer numerous services in order to attract customers like

1. Increase product satisfaction ( credit, alteration, installation & shopper information)
2. Increase convenience (delivery, telephone ordering and parking)
3. Provide special benefits.( gift wrapping, complaint offices)

Successful sales staffs are those who are high in expertise and trustworthiness, knowledgeable about customers and their needs, and able to adapt their interaction styles to suit the customer they are dealing with. Consumers have particularly negative reactions to delays in billing over which they believe the service provider has control and during which they have little to occupy their time. A proper billing system will not increase the satisfaction but will

avoid dissatisfaction from setting in. The retailers should be equipped with a proper mechanism to handle consumer complaints (Annexure 2). A weak handling will result in a lesser attitude towards that particular retail outlet.

## **Physical factors**

People love a clean place to shop. With the increase in awareness on hygiene people expect cleanliness in the product, the place where the product is stored, the shop location and whatever that is involved in their shopping dimension. People avoid cramped places. Study shows that people spend up to half an hour on an average fortnight visit. This speaks the importance of ventilation and air conditioning. This factor ensures that one does not get irritated by long check out lines or slow service, but stay long enough to be tempted by the retailers' wares. The average shopper selects only thirty- five of the available 7000 or more grocery products during the average half an hour shopping trip, it is easy to see why manufacturers clamor for the most visible eye level shelf position. The most favorable shelf position is generally at eye level, followed in effectiveness by waist level and knee or ankle level. The shelf height dictated for an item is a function of its package size, its normal movement, whether or not it is being advertised, and its market target. It is crucial for a product to be given enough shelf space to attract the buyer's attention. Yet, all of the manufacturer's careful packaging efforts can be counteracted by an insufficient amount of shelf space in the store. Tests show that doubling shelf facings on new items during their first two to three weeks in stores produced sales

increases from 85% to 160% over stores that stocked the items but did not make any facing adjustments. Sales can be promoted by eye-level displays and displays located at the end of aisles and near check-outs. Location is the key determinant of store preference and can affect sales dramatically. Out of town shopping complexes offer easy parking and are becoming more popular nowadays. Retailers have to be careful with the choice of location as they face threat from mail order shopping and internet shopping.

## **Store atmosphere**

Consumers tend to patronize those stores where persons similar to them are perceived to be shopping. An important matching process occurs between the consumer's self image and the store's image to influence where people shop, with choices being made of stores that possess images which are similar to the images that consumers perceive of themselves. Places which are too crowded or too empty are generally unpopular. The appearance of other shoppers gives important clues to the status of the establishment. Layout of stores should be manipulated to ensure that customers can move around the stores easily. Areas where a lot of people will pass can be used for special promotion. Time spent waiting in queues need to be reduced. This is done by changing the layout of the outlet as in airport where baggage reclaims are moved further away. Design of the retail area can go a long way towards reducing the impression of crowding; high ceilings create a feeling of spaciousness. Traffic pattern studies are very popular with retailers in order to determine where good or bad sales areas are within the store. Such research needs to be conducted in

order to determine optimum layout and placement of goods. Shopper activity is diagrammed on these layouts for both density and main direction of traffic for each aisle and for passing and buying rates within the aisles. These statistics show that customers shop a store in different ways. Stores are able to obtain customer movement information electronically. There are examples of certain super markets which have used a system of ceiling sensors in order to monitor how many people come and go, the direction that the individual shopper walks in, and how fast people are moving through the store or specific department. Music contributes

considerably to store atmospherics. Slow music increases both shopping time and expenditure. Choice of music needs to be adapted to the nature of the store; where consumers need to be encouraged to pass through quickly, louder music may be beneficial. Music can be used to manipulate perceptions of the store's image - classical music may give the store a more up-market image and has been found to be associated with the purchase of more expensive wines when played in a wine store. Music also needs to be matched to the demographic characteristics of the consumers as can be seen in fashion shops.

## Analysis

**Table 1: Respondents' Profile**

<b>Respondents' Profile</b>	<b>Classification</b>	<b>Percentage (%)</b>
Age	Less than 25	54.0
	26-35	20.0
	36-45	10.0
	More than 45	16.0
Gender	Male	64.0
	Female	36.0
Occupation	Student	48.0
	Professional	14.0
	Employed	18.0
	Business	12.0
	Housewife	08.0
Family income (Rs. per month)	Less than 5,000	16.0
	5001-10,000	22.0
	10,001-20,000	28.0
	Above 20,000	34.0
Conveyance vehicle	Two wheeler	42.0
	Car	32.0
	Public Transport	16.0
	Walk	10.0
Marital status	Married	46.0
	Unmarried	54.0

**Table 2: Rank Score Comparison for Merchandise**

S.No	Factors	H	S	I	L	N	Total	Mean Score	Rank
1.	Price	20	19	9	1	1	50	4.12	II
2.	Quality of the products	24	16	7	3	0	50	4.22	I
3.	Selection and assortments	18	19	8	4	1	50	3.98	III
4.	Product display	12	19	8	5	6	50	3.52	IV
5.	Unique merchandise	10	17	5	7	11	50	3.16	V

**H**-Highly influenced; **S**-Somewhat influenced; **I**-Influenced; **L**-Less influenced; **N**- Not at all influenced

**Table 3: Male respondents versus Merchandise**

S.No	Factors	H	S	I	L	N	Total	Mean Score	Rank
1.	Price	10	14	7	1	0	32	4.03	II
2.	Quality of the products	16	9	5	2	0	32	4.22	I
3.	Selection and assortment	11	11	7	2	1	32	3.91	III
4.	Product display	9	11	5	3	4	32	2.31	V
5.	Unique merchandise	6	10	4	5	7	32	3.09	IV

**Table 4: Female respondents versus Merchandise**

S.No	Factors	H	S	I	L	N	Total	Mean Score	Rank
1.	Price	10	5	2	1	0	18	4.33	I
2.	Quality of the products	8	7	2	1	0	18	4.22	II
3.	Selection and assortment	7	8	1	2	0	18	4.11	III
4.	Product display	3	8	3	2	2	18	3.44	IV
5.	Unique merchandise	4	7	1	2	4	18	3.28	V

**Table 5 : Spearman Rank Correlation between male and female respondents and their view on merchandise dimension**

S.No	Rank of the male respondents(x)	Rank of the female respondents(y)	d=x-y	d <sup>2</sup>
1.	2	1	1	1
2.	1	2	-1	1
3.	3	3	0	0
4.	5	4	1	1
5.	4	5	-1	1
<b>P = - 0.19</b>				$\Sigma d^2 = 4$

**Table 6 : Rank Score Comparison for Service**

S.No	Factors	H	S	I	L	N	Total	Mean Score	Rank
1.	Sales personnel behaviour	21	16	6	5	2	50	3.98	I
2.	Complaints Handling	8	18	9	10	5	50	3.28	IV
3.	Billing System and card acceptance	15	14	10	4	7	50	3.52	III
4.	Sales personnel response to queries	13	15	16	6	0	50	3.70	II
5.	Home delivery facility	7	11	5	12	15	50	2.66	V

**Table 7: Rank Score Comparison for Physical Factors**

S.No	Factors	H	S	I	L	N	Total	Mean Score	Rank
1.	Cleanliness	18	20	7	4	1	50	4.00	I
2.	Ventilation and	13	10	13	6	8	50	3.28	IV
3.	Shopping ease	14	12	14	5	5	50	3.50	II
4.	Location	13	15	7	6	9	50	3.34	III
5.	Parking	12	7	10	8	13	50	2.94	V

**Table 8: Rank Score of Married Respondents for Physical Facilities**

S.No	Factors	H	S	I	L	N	Total	Mean Score	Rank
1.	Cleanliness	7	9	3	4	0	23	3.83	I
2.	Ventilation and air conditioning	4	4	5	5	5	23	2.87	IV
3.	Shopping ease	7	5	4	3	4	23	3.35	II
4.	Location	6	6	2	4	5	23	3.18	III
5.	Parking	5	4	4	3	7	23	2.87	IV

**Table 9: Rank Score Comparison of Unmarried Respondents for Physical factors**

S.No	Factors	H	S	I	L	N	Total	Mean Score	Rank
1.	Cleanliness	11	11	4	0	1	27	4.15	I
2.	Ventilation and air conditioning	9	6	8	1	3	27	3.63	I
3.	Shopping ease	7	7	10	2	1	27	3.63	III
4.	Location	7	9	5	2	4	27	3.48	III
5.	Parking	7	3	6	5	6	27	3.00	IV

**Table 10: Rank Score Comparison for Store atmosphere**

S.No	Factors	H	S	I	L	N	Total	Mean Score	Rank
1.	Congeniality	17	21	7	1	4	50	3.92	I
2.	Clientele	12	17	12	4	5	50	3.54	IV
3.	Music	13	17	15	3	2	50	3.72	II
4.	Store layout	12	16	11	10	1	50	3.56	III
5.	Post transaction satisfaction	13	13	8	10	6	50	3.34	V



## Findings

1. As far as the dimension of merchandise the respondents ranked quality (4.22) and price (4.12) at the top whereas unique merchandise has scored a low favor.
2. From study it is observed that males are oriented towards quality (4.22) whereas females are more price conscious (4.33).
3. Regarding the dimension of merchandise the ranking of male respondents is juxtaposed to the views of female respondents. This is proved by Spearman Rank Correlation ( $P = -0.19$ )
4. The dimension of service sales persons' behavior (3.98) and their response (3.70) has been ranked at top. Home delivery facility has not been given importance.
5. It is observed that cleanliness scores high (4.00) in physical factors whereas parking facility (2.94) is not at all considered.
6. The result shows that congeniality of the store ranked (3.92) top but post transaction satisfaction is the least ranked (3.34) component in store atmosphere.

Though the price is a major component of merchandise, the quality of the product leapfrogs the price by marginal difference. The behaviour of sales personnel tops the chart among service

dimension. The cleanliness of the retail shops which is an indirect indicator of quality is perceived as prime factor among physical factors.

People who are stimulated and have pleasant experiences will be in a better mood and evaluate goods and services more positively. Retailers can influence budding consumers by providing play facilities, eye-level displays that children can readily see, window displays that they find interesting, sales staff trained to deal with children, and attending to ethical worries of parents. While handling older consumers it is better to focus on their cognitive age rather than their chronological age. Retailers need to establish a good image to prevent customers from shopping around. Time crunched individuals will be less willing to spend time making purchasing decisions and shopping. Making these activities easier by providing information about products, building out-of-town shopping malls so that parking is less problematic, easing congestion and queues in stores, making provision for mail-order and internet shopping, accepting different forms of payment and reducing the likelihood of post-purchase problems will all assist consumers to make their purchases speedily and efficiently. Frequent shoppers are motivated by personal motives such as dispelling boredom, beating the system, relieving depression and fulfilling fantasies as well as social motives such as alleviating loneliness and providing for others. Shoppers are motivated by pleasure and practicality; stores must cater for both aspects of the shopping experience.

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