Factors Influencing Consumer Brand Preference in Retail Stores

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ARTICLE INFO

ABSTRACT

Purpose: This study aims to investigate the characteristics that influence buyers' preferences for various retail brands, with an emphasis on store ambience, location, layout, parking availability, and the quality of service provided by salespeople.

Design/Methodology/Approach: To assess the research framework and hypotheses, this study's respondents are shoppers who visit and purchase in retail outlets. The study is based on primary data acquired through a structured questionnaire. The questionnaire used a 5-point Likert scale to assess responses to the five factors being researched. A purposive sampling strategy was applied.

Findings: Consumers choose retail stores with a pleasant atmosphere, a well-designed store layout, plenty of parking space, high-quality salesperson service, and a convenient location. Retail store managers actively prioritize these characteristics to increase the appeal of their stores and make them preferred options among customers.

Research Limitations: This study has some limitations. It concentrated on a specific geographical area (India) and employed a purposeful sample technique, which could create selection bias.

Managerial Implications: In practice, the study underlines the importance of store atmosphere, location, layout, parking availability, and service quality in shaping consumer brand preferences at retail outlets. As a result, the study proposes that retail managers focus on enhancing these factors to increase the appeal of their stores and attract more customers.

Originality/Value: This study demonstrated the significance of specific shop environmental elements in influencing consumer brand preferences in retail outlets.

Introduction

In recent years, modern retail models such as supermarkets and hypermarkets have gained substantial traction in emerging countries like India. As a result, the number of modern retail stores has increased significantly throughout the country. These modern retailers are innovating to deliver unique shopping experiences that adapt to their customers' shifting preferences. Consumers are increasingly turning to modern retail outlets for their purchasing requirements as disposable incomes rise and lifestyles change. Customers' different lives lead them to retail outlets that reflect their choices. With the influx of new retail locations, customers are reconsidering their prime shopping places. Physical qualities, store format, proximity, and ambience all have a significant impact on how customers perceive stores. The rise of new retail formats has the potential to significantly expand the Indian retail sector. As a result, merchants must understand the elements that influence consumers' decisions to shop at one store rather than another. When consumers only had traditional shopping options, the physical characteristics of stores had less of an impact. However, as modern retail shops have grown, consumers now have the option of selecting retail forms based on the perceived relevance of numerous elements. While research has identified the factors influencing customers' choice of retail establishments, the majority have taken a broad approach, focusing on Western and European environments. There has been a remarkable lack of noteworthy studies in marketing literature that investigate the factors influencing retailer choice in non-western countries. Ok Kim et al. (2001) conducted a major study in this field, attempting to identify the store features that influence customer store selection in Korea. Their research focused on a variety of elements, including store layout, parking facilities, and retail environment. Another significant contribution was made by Venkateswarulu et al. (2007). Their research highlighted five critical criteria influencing store selection: (1) attractiveness and compatibility; (2) amenities and ambience; (3) store environment; (4) personnel quality; and (5) parking and sitting options. Hirschman et al. (1978) identified 10 store qualities that contribute to store image and so influence customer decision. These characteristics include the quality of sales clerk service, store location, layout, and environment, among others. On the other side, Bhukya et al. (2016)

identified five characteristics, including the store's location, layout, atmosphere, parking capacity, and the quality of service provided by salespeople. As a result, the purpose of this study was to identify the factors that impact shoppers' decisions to choose one retail business over another.

Conceptual Framework

Following a comprehensive literature analysis, this study investigates five criteria identified by Bhukya et al. (2016) as fundamental attributes of modern retail stores that influence buyers' preferences for the retail store.

Store Ambience: It refers to the contextual elements of a store, such as lighting, temperature, cleanliness, music or noise, and aroma, that have a big impact on customers' subconscious. These factors have a substantial impact on customers, both directly and indirectly (Bitner, 1990 & 1992; Bhukya et al. 2016). Crowley et al., 1996; Blodgett et al., 1996; Hebert et al., 2001; Yucetepe et al., 2008; and Scarcelli et al., 2010 have emphasized the importance of store ambience in store choice.

Store ambience includes the store's backdrop features such as lighting, temperature, cleanliness, music or noise, and aroma. These elements have a considerable influence on customers' subconscious perceptions. They can influence clients both directly and indirectly, impacting their whole experience and preferences. Several studies have shown that retail ambience has a significant influence on store choice.

H_{01}: Store ambience has no meaningful influence on consumer brand preferences in retail outlets.

Store Location: According to Chang et al. (2015), the convenience of a store's location is an important consideration for consumers when making purchasing decisions. Many retailers are always opening additional locations to target more customers. However, they face difficulties in finding adequate and feasible locations for their stores (Breheny et al., 1984). According to Berry N (1969), Greenberg et al. (1978), and Mammen et al. (2010), store location has a substantial influence on the construction of the business image.

H_{02}: Store location has no considerable effect on consumer brand preferences in retail establishments.
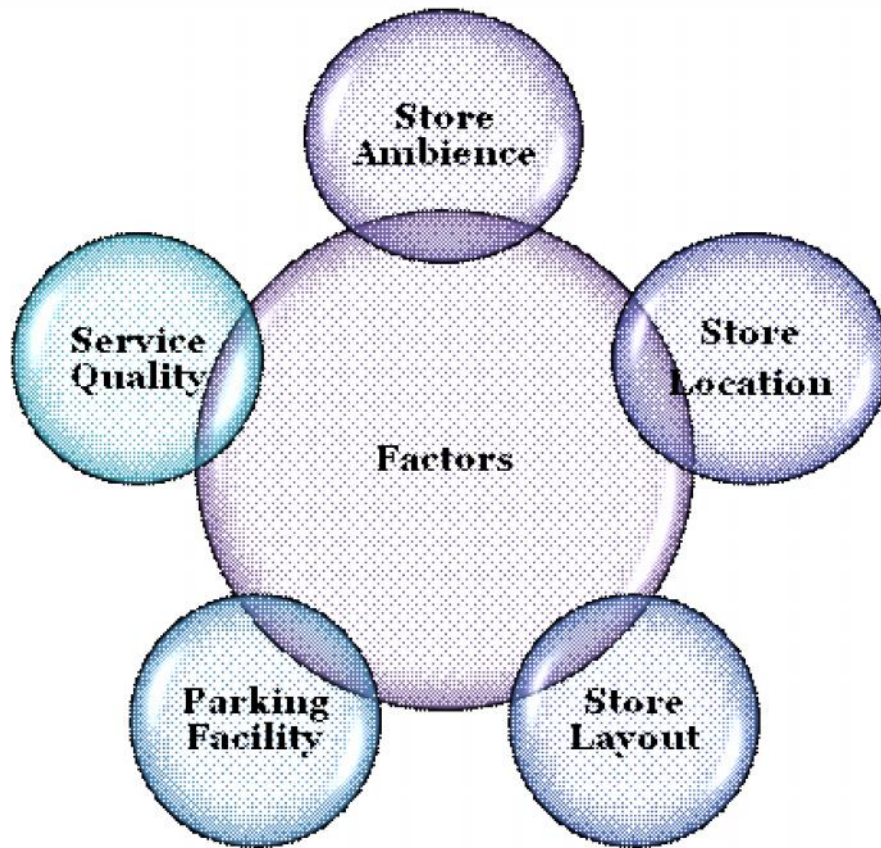
Figure No. 1: Five factors influencing consumers' selection of retail outlets.

Source: Based on Literature Review

Store Layout: Hirschman et al. (1978) underlined that store layout is an important factor in developing the retail image. Modern retail establishments are defined by their well-designed layouts (Ok Kim et al., 2001). According to the Food Marketing Institute's (FMI) annual survey of consumer trends, 94% of shoppers believe that store layout is an important element in deciding where to purchase.

H_{03}: Store layout has no significant effect on consumer brand choices in retail establishments.

Parking Facility: According to Saraswat et al. (2010), modern organized food and grocery retail stores distinguish themselves through functional and tangible aspects such as parking space and store location. Parking and sitting facilities at stores improve the shopping experience for customers, and having plenty of parking space can give retail stores a competitive edge (Venkateswarulu et al., 2007; Ok Kim et al., 2001).

H_{04}: Parking facilities have no discernible effect on consumer brand preferences in retail establishments.

Salespersons' Service Quality: It is seen as a judgment resulting from an assessment process in which consumers evaluate their opportunities with the service, they believe they received (Grönroos, 1984). Retail service quality is an effective way to identify one store from another (Reichheld and Sasser, 1990; Darian et al., 2001).

H_{05}: The level of service provided by salespeople has no substantial impact on consumer brand preferences in retail establishments.

Methodology

To evaluate the research framework and hypotheses, shoppers who visited various types of retail

outlets were chosen as study participants. Data were obtained using a standardized questionnaire using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The sample was recruited from the target audience for this study, which consists of shoppers who visit stores and make purchases.

A total of 58 retail locations were identified for data collection purposes. Using purposive sampling, 784 shoppers are approached, and each is given a questionnaire comprising questions about the five topics under consideration. The survey was designed to guarantee that eligible participants were chosen and that their shopping habits were recorded. The survey was designed to guarantee that eligible participants were chosen and that their shopping habits were recorded. The poll was conducted from December 2023 to January 2024, providing 500 valid replies for data processing. Descriptive statistics are used to examine the demographic features of respondents. Furthermore, regression analysis was used to investigate the impact of the five independent variables on shoppers' store preferences.

Analysis and Interpretation

The vast majority of the 500 respondents are male (62% of the overall sample). Furthermore, the greatest age group covered in the study is 26-30 years old, with 33% of respondents. Furthermore, around 62% of the respondents are graduates or postgraduates. In terms of income, the majority of respondents (80%) reported earning more than Rs. 15,000 a month. As a result, the current study includes responses from consumers with important

Table 1: Demographic Profile of the Respondents

Demographic Characteristics	Category	Frequency	Percentage(%)	Cumulative%
Gender	Female	190	38	38
	Male	310	62	100
Age	Up to 25 years	90	18	18
	26-30 years	165	33	51
	31-40 years	145	29	80
	41 years and above	100	20	100
Education	High School	85	17	17
	Undergraduate	105	21	38
	Graduation	140	28	66
	Postgraduation	170	34	100
MonthlyIncome	Up to Rs. 15,000	100	20	20
	Rs. 15,001 to Rs. 30,000	220	44	64
	Rs. 30,001 and above	180	36	100
Shoppingper Month	At least once	155	31	31
	2-4 times	245	49	80
	5 times and above	100	20	100

Source: *Primary Data*

Table 2: Estimated Results of Multiple Regression Analysis

	Unstandardized Coeff.		Standardized Coeff.	t-value	p-value
	B	Std. Error	Beta (s)		
Intercept	0.794	0.165	0.748	6.136	0.000***
Store Ambience	0.651	0.117	0.621	5.174	0.000***
Store Location	0.924	0.203	0.902	4.354	0.009***
Store Layout	0.331	0.061	0.324	6.147	0.000***
Parking Facility	0.148	0.007	0.117	5.148	0.000***
Service Quality	0.714	0.154	0.709	6.041	0.000***
Multiple R			0.928[a]		
R^2			0.889		
Adj. R^2			0.876		
Std. Error			0.746		
p-value			0.000***		
Durbin-Watson			2.057		

Source: *Author(s) Computation*

demographic features, such as a strong representation of men, people aged 26-30, and those with higher education and income levels.

Table 2 shows the considerable impact of chosen criteria on shoppers' store preferences. The factors have positive and statistically significant correlations with store preference, as evidenced by their t-values and p-values. These data provide additional support for the findings of Bhukya et al. (2016). Furthermore, there is a significant relationship between the actual and expected values of the response variable. The regression model is statistically significant and has a high level of explanatory power, with the variables accounting for 89% of the total variance in consumer shop preferences. The Durbin-Watson (DW) statistic is close to 2, indicating that there is no difficulty with autocorrelation in this model.

Table 3 illustrates the results of the multicollinearity test performed on the regression model's predictor variables. Each element has its own set of collinearity statistics, including tolerance and variance inflation factor (VIF). All predictor variables have tolerances greater than 0.7, which means that the other predictors explain less than 30% of the variance in any predictor. This shows that the

Table 3: Multicollinearity Test

	Factors	Collinearity Statistics
Tolerance	VIF	
Store Ambience	0.847	1.429
Store Location	0.904	1.641
Store Layout	0.784	1.017
Parking Facility	0.771	1.001
Service Quality	0.857	1.451

Source: *Author(s) Computation*

predictor variables are not overly multicollinear. Furthermore, all VIF values are less than two, indicating that the variance of each coefficient is slightly exaggerated due to multicollinearity.

Conclusion and Recommendations

The purpose of this study was to investigate the factors that influence buyers' preferences when it comes to retail store selection. The study concentrated on store environment characteristics such as atmosphere, location, layout, parking availability, and salesperson service quality. The core data was acquired using a structured questionnaire distributed to 58 different retail stores, with responses recorded on a five-point Likert scale. Purposive sampling is used to choose respondents, yielding 500 valid responses for the study.

The results show that all five criteria have a considerable impact on customer preferences in retail store selection. As a result, it is recommended that retail store managers deliberately emphasize these characteristics to increase their stores' appeal and become preferred options among customers. As a result, the findings are consistent with those of Bhukya et al. (2016).

In terms of theoretical implications, this study emphasized the necessity of understanding how different aspects of the store environment influence consumer behaviour. Practically, it sheds light on the critical areas that retail managers must focus on to attract and keep customers. According to the survey, managers should invest in boosting store ambience, guaranteeing a convenient location and layout, offering adequate parking, and improving salesperson service quality. This allows retail shops to better fulfil consumer preferences while also improving their market competitiveness.

Future Areas of Research

Future research should involve customers from various demographics and geographies. It is advised that research include a variety of retail store types, both small and large, to validate findings across varied situations. The sample should also represent a broader range of ages and socioeconomic backgrounds. Future studies could also look into the impact of developing technologies such as augmented reality and artificial intelligence on the retail environment and consumer behaviour.

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