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Consumer Buying Preferences for Chain Stores in Ludhiana

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Chain Stores are one amongst many retail formats which are popular in market today. The present study attempts to identify the socio-economic and psycho-social factors that affect the buying preferences of consumers for various chain stores in Ludhiana city. Forty five respondents were randomly selected and data regarding their preferences was collected using a structured questionnaire. The results revealed that majority of respondents preferred chain stores because of their attractive window displays. Need of the product motivated majority of the customers to shop. Price of the product was the main consideration in selection of products and family likes and dislikes played an important role for the respondents while buying from chain stores. Wide and deep assortment under one roof was the unique selling point of chain stores. Respondents opined that difficulty in locating products and lack of sales personnel were major problems faced by them. Chain stores provided their customers with various facilities which helped in boosting their sales. Further, the study revealed that more than 80 percent customers were not loyal to any

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particular chain store and so the retailers need to develop their merchandising and marketing plans efficiently to be at par with their competitors.

1. Introduction

Consumer behaviour is an attempt to understand the buyer decision making process, both individually and in groups. It studies various characteristics of individual consumers such as demographics, psychographics, and behavioural variables in an attempt to understand what consumer wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general (Mishra et al, 2014). As there are many retail formats popular now-a-days so it has become imperative to study the buying preferences so that retailers can plan their sale strategies more cohesively and executes them according to their customer needs. The current study is a humble attempt in this direction to study the socio-economic and psycho-social factors affecting consumer preferences for chain stores in Ludhiana.

2. Methodology

The present investigation was undertaken in ten different chain stores of Ludhiana city. A sample size of forty five respondents that visited these stores was randomly selected and an attempt was made to study the socio-economic and psycho-social factors that affected their buying behaviour by administering a structured questionnaire. The results of the investigation were interpreted using percentages and mean scores.

3. Results and Discussion

3·1 Psycho-social Factors affecting Buying Behaviour of Respondents

The psycho-social factors are the factors which are related to the interrelation of social factors and individual opinion and behaviour of people.

3·1·1 Awareness of Respondents for Chain Stores

The results revealed that more than three-fourth of the respondents were aware about various chain stores in Ludhiana. The

respondents opined that they have seen and heard of the same name of stores in different cities. This indicated that chain store is a popular retail format and today's consumer is well versed with different retail stores and their format.

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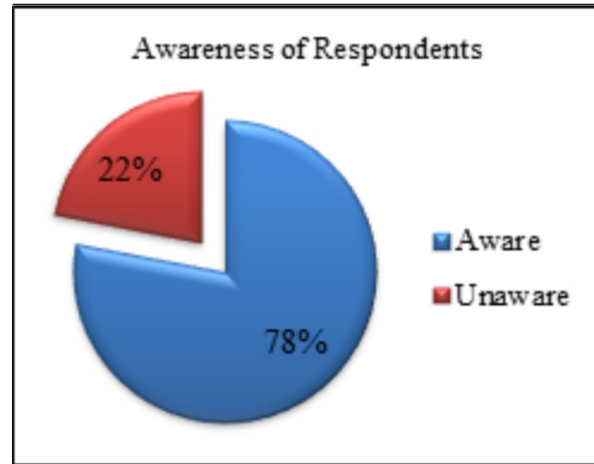
3·1·2 Unique Selling Point (USP) of Chain Stores

It was seen that the highest percentage of respondents considered wide and deep assortment as the USP of the chain stores followed by those who opined that chain store provides all merchandise under one roof.

**Table-1 : Unique Selling Point of Chain Stores**

S.No.	USP of Chain Stores	Respondents (n = 45*)	
		F	**%**
1	Merchandise under one roof	14	31.11
2	Quality products	11	24.44
3	Availability of discount offers	9	20.00
4	Convenience in shopping	5	11.11
5	Wide and deep assortment	15	33.33
6	Well maintained environment	11	24.44
7	Notifications about new arrivals	6	13.33

*Multiple responses

3·1·3 Opinion of Respondents for Location of Chain Stores in Ludhiana

Majority of the chain store respondents (65%) were of the view that location of chain stores in Ludhiana is very convenient so it is not difficult for them to reach there.

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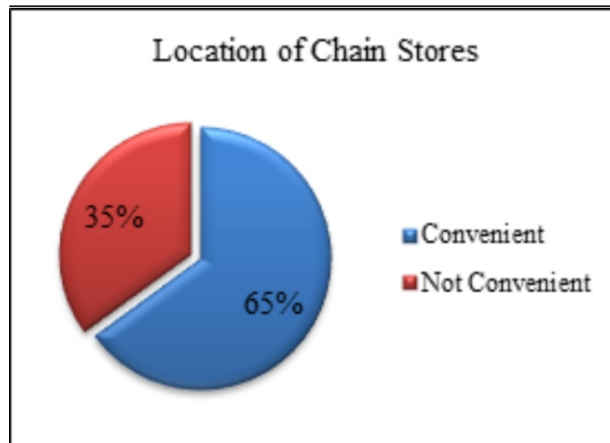
3·1·4 Shopping Interest of Respondents

The collected data contained in the following table show that majority of the respondents from chain stores preferred to go for shopping to buy merchandise for their family members/friends and also for themselves.

Table-2 : Shopping Interest of Respondents

S.No.	Shopping Interest	Respondents (n = 45*)	
		Mean	Rank
1	Window shopping	1.93	4
2	Purchasing for family member/ friends	3.13	1
3	Purchasing for self	2.76	2
4	Accompanying someone	2.18	3

3·1·5 Type of Products purchased by Respondents while Shopping

The chain stores included various product categories such as apparel, accessories, foot wear, household articles etc. but it was

observed from the following table that apparel were most frequently purchased by the respondents followed by foot wear, accessories and household articles respectively.

Table-3 : Type of Products Purchased by Respondents while Shopping

S.No.	Products	Respondents (n = 45*)	
		F	**%**
1	Apparel	40	88.89
2	Accessories	10	22.22
3	Foot wear	12	26.67
4	Household articles	10	22.22

*Multiple responses

3·1·6 Shopping Span of Respondents in the Chain Stores

Shopping span of respondents in the chain stores is shown in the following table-4. It is evidently clear that ninety one percent of the respondents spent more than an hour to shop for their required products in a chain store. The longer duration of stay in a chain store could be attributed to its wide assortment of products available at chain stores.

Table-4 : Shopping Span of Respondents in Chain Stores

S.No.	Shopping Span	Respondents (n = 45*)	
		F	**%**
1	30 minutes - 1 hour	4	8.89
2	More than an hour	41	91.1

3·1·7 Factors considered as Important while Shopping by the Respondents

Factors considered as important while shopping by the respondents are shown in table-5. It was observed that price of a product was highly preferred by the respondents while shopping. Availability of discount offers was least preferred by chain store respondents.

**Table-5 : Factors Considered as Important while Shopping
by the Respondents**

S.No.	Factors	Respondents (n = 45*)	
		Mean	Rank
1	Price	3.82	1
2	Quality	3.49	2
3	Brand name	2.64	3
4	Availability of discount offer	2.16	4

3·1·8 Attraction of Respondents towards Window Display of Chain Stores

The collected data as contained in the following diagram show that more than three-fourth (80 percent) of the respondents get attracted towards the window display of the chain stores and then get lured to visit the stores to see the new merchandise indicating the fact that window display has an important role to attract the consumers.

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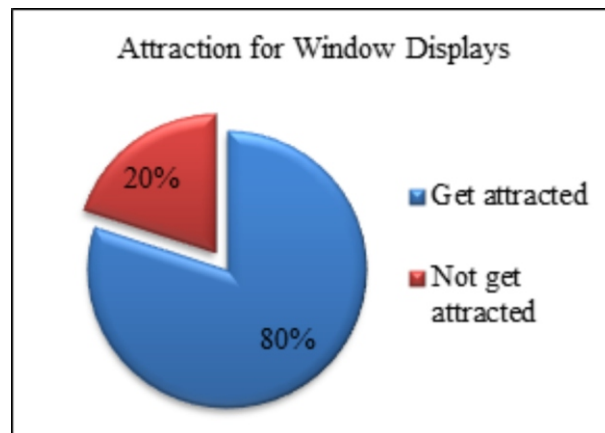
3·1·9 Comparative Shopping undertaken by the Respondents

It is a common practice among the customers/consumers to make a comparison in various chain stores before taking a final decision to purchase. The collected data shown in the diagram on next page revealed that 67 percent of the respondents indulged in comparative shopping. They always compared quality and price of products before actual shopping.

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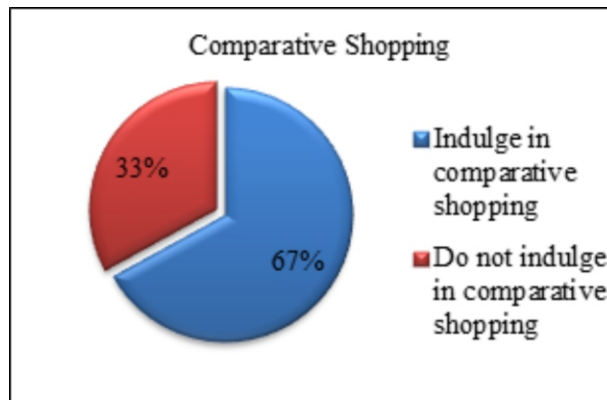
3·2 Socio-economic Factors affecting Buying Behaviour of the Respondents

Socio-economic factors are the social and economic features that help to mould one's personality, attitude and lifestyle. The role of various socio-economic factors in buying behaviour is analyzed in the following sub-heads :

3·2·1 Factors that Motivated the Respondents to shop from a Chain Store

The data showed that need of the product motivated the respondents to shop followed by the changing fashion trends.

Table-6 : Factors that Motivated the Respondents to Shop

S.No.	Motivating Factors	Respondents (n = 45*)	
		F	%
1	Need of the product	26	57.78
2	As fun field activity	4	8.89
3	Surplus money	9	20.00
4	Changing fashion trends	13	28.89

*Multiple responses

3·2·2 Preference of Respondents for their Company while Shopping in a Chain Store

The findings of the study revealed that 62 percent of the respondents preferred going for shopping with their family members

in a chain store followed by 29 percent who wanted to go with friends. This can be again related to the fact that the respondents shopped for their family and friends so taking them along would make the shopping process easier.

Table-7 : Preference of Respondents for their Company while Shopping

S.No.	Company while Shopping	Respondents (n = 45*)	
		F	%
1	Friends	13	28.89
2	Family Members	28	62.22
3	Colleagues	4	8.89

3·2·3 Frequency of Shopping in a Chain Store by the Respondents

The data revealed that majority of respondents do not have any fixed frequency of shopping. This could be attributed to the fact that need is the most important motivating factor for respondents to shop rather than time.

Table-8 : Frequency of Shopping in a Chain Store by the Respondents

| S.No.	Frequency of Shopping	Respondents (n = 45*)	
		F	%
1	Weekly	3	6.67
2	Fortnightly	13	28.89
3	Monthly	9	20.00
4	Seasonally	1	2.22
5	No fixed time	19	42.22

3·2·4 Loyalty of Respondents towards a particular Chain Store

Loyalty towards a retail store depends upon its brand value, store ambience and facilities provided to the customers. Now-a-days, every store provides their customer with such facilities. The collected data showed that very few respondents were loyal to any one chain

store located in Ludhiana. They opined that they preferred any store according to availability of time, recommendation of family and friends and their convenience.

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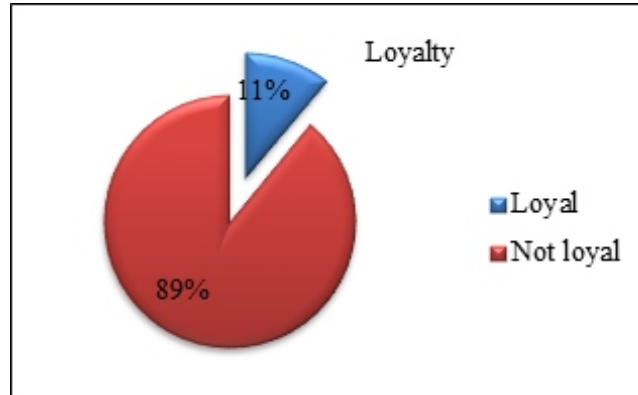
3·2·5 Preference of Respondents towards Stores offering Discounts

It was observed that majority (58%) of the respondents preferred going to stores with discount offers as it saved their money. This could be related to their preference for price as the most important factor while shopping in chain stores.
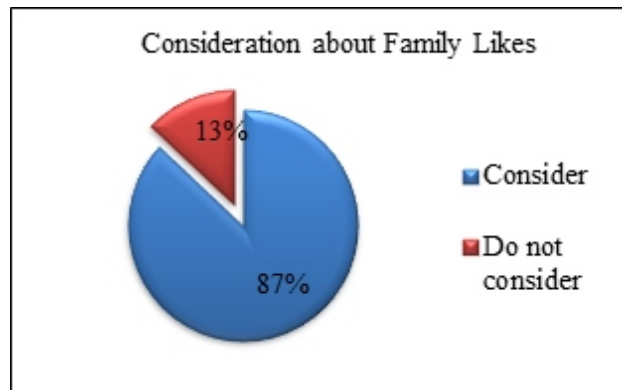
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3·2·6 Consideration about Family likes/dislikes while Shopping by the Respondents

It may be observed from the diagram on next page that majority (87%) of respondents from chain stores considered family likes/dislikes before purchasing anything for them.

n = 45

3·2·7 Problems faced by Respondents while Shopping from Chain Stores

The respondents opined that difficulty in locating products followed by forcing by the sales staff for taking membership of the store and lack of trained sales personnel were the most common problems faced.

Table-9 : Problems Faced by Respondents while Shopping from Chain Stores

S.No.	Problems of Chain Stores and Factory Outlets	Respondents (n = 45*)	
		Mean	Rank
1	Lack of sales personnel	3.36	3
2	Difficulty in locating products	3.84	1
3	No Parking facility	3.33	4
4	Long queues for billing	2.44	8
5	Return/exchange of products	3.00	7
6	High prices	3.09	5
7	Forcing for membership	3.69	2

3·2·8 Attributes of Chain Stores contributing to their Success

The data presented in Table 10 reveals the store attributes of chain stores. It can be seen that respondents attributed factors like availability of different payment terms, availability of security

services and wide and deep assortment responsible for success of chain stores.

Table-10 : Attributes of the Selected Chain Stores

S.No.	Attributes of Chain Stores and Factory Outlets	Respondents (n = 45*)	
		Mean	Rank
1	Availability of different payment terms	4.44	1
2	Wide and deep assortment of products	4.36	2
3	Availability of security services	4.36	3
4	Discount offers	4.20	6
5	Nice Store ambience	4.36	4
6	Availability of try rooms	4.02	9
7	Good infrastructure	4.09	8
8	Well maintained and clean store	4.31	5
9	Availability of products at different price ranges	4.11	7
10	Online notification about offers	3.93	10

4.   Conclusion

It may be concluded that consumers are well aware of different chain stores in Ludhiana. They are preferred because of their attractive window displays and availability of variety of products under one roof. Need of the consumers motivated them to shop. Price of the product was the main consideration in selection of the products. Family likes and dislikes played an important role for the respondents while buying and wide and deep assortment under one roof was considered to be the unique selling point of chain stores. Location of the chain stores was found to be convenient and apparels were the main product type preferred by the consumers. The average shopping span of customers was more than an hour and they bought products both for family members and themselves. The consumers indulged in comparative shopping and got attracted towards window displays of the chain stores. Difficulty in locating products and lack of sales personnel were major problems faced by customers in chain stores. The chain stores provided their customers with various facilities still more than 80 percent customers were not loyal to any

particular chain store and so the retailers need to develop their merchandising and marketing plans efficiently to be at par with their competitors.

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