Factors Influencing Buying Behavior of a Selected Apparel Retailer's Customers

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ABSTRACT

Retailing has been one of the oldest trade practices in India. Traditional retailing practices include weekly fairs, kirana shops etc. fair price shops of public distribution system is a large retail network managed and controlled by the government. The onset of the twenty first century saw tremendous growth in organized and modern retail outlets. There have been many different formats that have come up in Indian retail scenario. These formats include department stores, hypermarkets, supermarkets, discount stores, boutiques etc. specialty stores is another format that has become popular. There are specialty stores for electronic and white goods, jewelry, footwear, and apparel. Apparel retailers have taken lead in this retail revolution. Apparel and fashion products are way different from other products. These products are characterized by short life cycles and high product turnover. The consumer buying behavior of apparel and fashion products is also different. Psychological satisfaction rather than utility satisfaction is expected to play a major role in apparel purchase decisions. In this context, a study of factors affecting apparel buying decisions is undertaken at selected apparel retailer. There were similar studies done in other places and contexts. But similar study is not reported from

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Hyderabad city so far. The current study is based on a primary data collection from customers of selected apparel retailer in Hyderabad. The data collected is analyzed using SPSS software. Statistical tool used is factor analysis. The findings of the study are interesting and have practical implications for managers in apparel retail industry.

Keywords: Retail, Apparel, Customers, Buying Behavior, Fashion, Hyderabad

Introduction

Organized retail has been growing in India since the beginning of the new millennium. This growth in organized retail is facilitated by growth in the Indian economy spurred by the government of India policy of liberalization, privatization and globalization of Indian economy since early 1990s and subsequent rise in income levels and surplus money among Indian public. As a result Indians, especially middle and upper middle class are psychologically and economically ready to pamper the growth in organized retail. This growth in Indian organized retail is led by chain stores like shoppers stop and lifestyle that are predominantly fashion and apparel retailers. Later future group has really speeded up the growth in terms of size and number of formats. Many Indian corporate companies have jumped into the bandwagon. Fashion and apparel product categories are way different than other product categories. The way customers contemplate the decision to buy or not to buy is also different. Psychological satisfaction of buying a product in vogue is more important than utility factors. In this context a study conducted at a selected apparel store in Hyderabad to examine the factors affecting the consumer behavior. The lickert scale factors from an earlier study by Isita and Pradip (1996) are adopted in this study.

Literature Review

Isita and Pradip (1996) did a study on factors influencing purchase of apparels from organized retail outlets. The frequent change in lifestyles with changing fashion preference of consumers is fed by the newer retail offerings coming from the organized retailers, where apparel gets utmost importance. Keeping these changing facets in view, this study makes an

attempt to identify the factors of the consumers' buying behavior that is influenced by retail apparel segment, and to assess the importance of each of them to consumers in selecting apparel from organized retail outlets. There are many studies done at international level on behavioral aspect of consumers in the context of retail marketing. The various factors influencing people's shopping behavior have been observed by Berry (1996). The author did a study on Retail failure. Yet, despite hyper competition in many markets, some retailers are performing well. What they have in common is compelling value for customers created through a bundle of benefits that outweighs shopping burdens. Retailers who offer a dominant merchandise assortment, fair prices, respect for customers, time and energy savings, and fun can engender the type of loyalty that secures their future. Gupta (2004) investigated the factors influencing the choice of private label in departmental stores of Hyderabad for two product categories processed food and toiletries. A study conducted by Memon (2006) wanted to trace the impact of private level brands on retailing dealing in garments. This work considered only two retail brands Westside and Pantaloons in Ahmedabad city and accepted the hypothesis that people are ready to switch over to other brands if the same facilities are available. Radha Krishna and Shylajan (2007) proposed a conceptual model and considered the influence of various marketing and demographic factors on consumers' habitual buying behavior towards branded articles. But identification of factors, existence of which indulges consumers to go for organized retail apparel brands are still left unturned.

Verdict Robert (1999) did a study on the differences in shopping habits of men and women. The study found that women are the primary shoppers in the United States. Differences regarding the issue of where to shop and differences in buying gifts are found between men and women. That means women have to do a lot of juggling to fit in their shopping. They don›t procrastinate because of sales, because the weather turns warm, or any other excuse pundits create. Actually, women start shopping earlier than men but finish just as late because they have so much to do.

Men and women also differ regarding where they shop. Women are most likely to shop at discount department stores for gifts. This year, nearly three–quarters of women purchased gifts at discounters, which offer convenience, price and quality of goods to help make shopping more

efficient. Plus, unlike department stores, discount department stores offer a wide variety of good's – from toys to sporting goods to home furnishings to apparel. Finally, the holiday seems to have slightly different effects on men and women. It affects men›s wallets and women's sense of "holiday spirit." Although men are not the primary shoppers, they spend about 15% more than women do on their gifts. Jackson Donald (1999) did a study on How Do you Satisfy Customers" and study provides information on customer satisfaction. Johnson Kurt (1999) did a study on making loyalty programs more rewarding. In order to keep customers joining and interacting with your loyalty program, the rewards must be strong enough to drive redemption behavior and must be perceived as attainable and relevant. In order to know what kind of rewards to offer; you should know the expected outcome or change in behavior you expect from the consumer. When customers perceive rewards as attainable and relevant, they make the decision to "play".

Research Methodology

Research Objectives

Following are the research objectives for this study:
1. To profile the customers of a selected apparel retailer
2. To study the customers' buying behavior at a selected apparel store
3. To research the underlying factors determining the customers' buying behavior at a selected apparel retailer.

Population

Customers shopping at selected apparel store

Data Collection

Primary data is collected by a survey method

Research Instrument

A structured and validated questionnaire and reliability tested with a Cron Bach alpha value of 0.792.

Sampling Method

Sampling involved mall intercept survey method. Structured questionnaire has been administered. A sample 100 respondents was targeted. Finally 80 usable questionnaires were short listed.

Data Analysis

Data is analyzed using SPSS software. Factor analysis is the statistical tool used.

Data Analysis

Following is the result of analysis of data collected through primary data collection.

Profile of the Customers

Following is the profile of the respondents:

Gender of the Respondent

Forty two respondents are male (52.5 percent) and thirty eight respondents are female (47.5 percent). Both the genders have approximately equal representation.

Table 1: Gender of the Respondent

Gender	Frequency	Percent
Male	42	52.5
Female	38	47.5
Total	80	100.0

Age of the Respondents

Majority of the respondents are in the age group of 18 to 28 (80 percent). Twenty percent of the respondents are in the age group 28 to 40.

Table 2: Age Group of the Respondents

Gender	Frequency	Percent
Between 18–28	64	80.0
Between 28–40	16	20
Total	80	100.0

Education Qualification of the Respondents

Majority of the respondents (53.4 percent) are graduates. Post graduates constitute 39 percent of the respondents. About 7.6 percent are professionally qualified.

Table 3: Education of the Respondents

	Frequency	Percent
Professional	6	7.6
Post graduate	31	38.8
Graduate	43	53.4
Not a graduate	0	0
Total	80	100.0

Monthly Income of the Respondents

Majority of the respondents (39 percent) have their family income above 2 lakhs rupees per month. Twenty six percent of the respondents have their family income below 50000 rupees per month.

Table 4: Monthly Family Income of the Respondents

Income in rupees	Frequency	Percent
Below 50000	21	26.4
50–100000	20	24.6
100000–200000	8	10.0
Above 200000	31	38.8
Total	80	100.0

Apparel Buying Behavior of the Respondents

Following is the analysis of respondents buying behavior of apparel:

Regular Purchase of Apparel from Organized Retailers

Majority (85 percent) purchase apparel regularly from organized retailers. Only 15 percent of the respondents are not regular purchasers from organized outlets.

Table 5: Do You Regularly Buy Apparel from Organized Retailers?

	Frequency	*Percent*
Yes	68	85.0
No	12	15.0
Total	80	100.0

Type of Apparel Purchased Mostly

About 46 percent respondents buy casualwear mostly another 46 percent of the respondents buy all types of clothing from these retailers. Only a very minor percent of respondents buy either only formal or only party wear from these stores.

Table 6: Type of Apparel Purchased Mostly

	Frequency	*Percent*
Casual	37	46.3
Formal	4	5.0
Party wear	2	2.5
All the above	37	46.3
Total	80	100.0

Frequency of Store Visits

Majority of the respondents (56 percent) visit store once in a month. About 16 percent visit the store once in a week and 15 percent visit the store occasionally.

Table 7: Frequency of Store Visit

Frequency of Store Visit	*Frequency*	*Percent*
Once in a week	13	16.3
Once in a month	45	56.3
Before an occasion	12	15.0

Frequency of Store Visit	Frequency	Percent
Once in a fortnight	8	10.0
Very rarely	2	2.5
Total	80	100.0

Buying Apparel is not Expensive in Organized Outlets

Twenty five percent of the respondents are of the opinion that apparel is not expensive in organized stores and another twenty five percent of respondents are of the opinion that apparel is expensive at organized outlets. Half of the respondents are (50 percent) are neutral.

Table 8: Buying Apparel is Expensive at Organized Outlets

	Frequency	Percent
Strongly disagree	2	2.5
Disagree	18	22.5
Neutral	40	50.0
Agree	14	17.5
Strongly agree	6	7.5
Total	80	100.0

Factor Analysis

Following is the result of factor analysis:

KMO and Bartlett Test

The result of KMO test indicates that the sample is quite adequate for factor analysis. The result of the Bartlett test indicates high level of data significance.

Table 9: KMO and Bartlett's Test

Kaiser–Meyer–Olkin Measure of Sampling Adequacy.		.702
Bartlett's Test of Sphericity	Approx. Chi–Square	553.806
	df	171
	Sig.	.000

Communality Value Analysis

This indicates that customers have given high priority for pick and choice shopping, family shopping under one roof, availability of latest designs and low priority for trusting the outlets blindly and advertisements.

Table 10: Communalities

	Initial	*Extraction*
Buying apparel is not expensive here	1.000	.694
I buy here because it saves money	1.000	.686
Outlets are for middle class people also	1.000	.851
Selection becomes easy because many options are available	1.000	.827
Size creates no bar in selection	1.000	.678
Accommodates all classes of buyer here	1.000	.689
Latest design is available	1.000	.868
To keep oneself fashionable	1.000	.709
Outlet name carries extra weightage	1.000	.699
One can blindly trust on a renowned outlet offerings	1.000	.510
Their apparel remains new for years	1.000	.668
Wearing this apparel gives me same feelings till rejection	1.000	.630
Stitching lasts for many years	1.000	.667
Too many are coming here so i came	1.000	.715
Attracted by many advertisements	1.000	.563
Family shopping is possible under a roof	1.000	.807
Convenient to buy as it pick and choice	1.000	.824
Buying here increases social recognition	1.000	.649
Various discounts offers attract me	1.000	.744
Extraction Method: Principal Component Analysis.		

Total Variance

Seven factors with eigen value of more than 1.0 account for about 70 percent of variance.

Table 11: Total Variance Explained

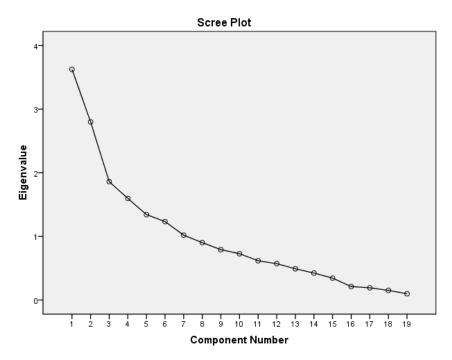| Component		Initial Eigenvalues			Extraction Sums of Squared Loadings		
		Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Dimension 0	1	3.626	19.086	19.086	3.626	19.086	19.086
	2	2.800	14.735	33.821	2.800	14.735	33.821
	3	1.860	9.789	43.610	1.860	9.789	43.610
	4	1.597	8.403	52.012	1.597	8.403	52.012
	5	1.343	7.069	59.082	1.343	7.069	59.082
	6	1.233	6.489	65.571	1.233	6.489	65.571
	7	1.020	5.368	70.939	1.020	5.368	70.939
	8	.902	4.748	75.687			
	9	.792	4.167	79.854			
	10	.728	3.831	83.685			
	11	.617	3.249	86.933			
	12	.571	3.006	89.939			
	13	.491	2.583	92.523			
	14	.424	2.231	94.753			
	15	.344	1.809	96.562			
	16	.211	1.113	97.675			
	17	.192	1.011	98.686			
	18	.152	.800	99.486			
	19	.098	.514	100.000			
Extraction Method: Principal Component Analysis.							

Figure 1: Scree Plot

Scree plot shows that seven factors with Eigen values more than 1.0 accounting for significant amount of variance.

Analysis of Rotated Component Matrix

An analysis of the rotated component matrix indicates following underlying factors influencing the apparel buying behaviour of the customers of the selected apparel store (Table 12).

By considering the factors with a value of more than 0.5 following deductions can be made regarding the components.

Component 1 is associated with the following factors:

1. Many people are coming here so I came

2. Various discounts attract me

Table 12: Rotated Component Matrix

	Component						
	1	2	3	4	5	6	7
Duying apparel is not expensive here	–.043	.768	.116	–.010	.059	–.019	.292
I buy here because it saves money	.192	.645	.274	–.028	.332	.126	–.178
Outlets are for middle class people also	.075	–.081	.833	.156	.313	–.133	.067
Selection becomes easy because many options are available	–.101	–.064	–.030	.000	.438	.787	–.008
Size creates no bar in selection	–.028	.355	.031	.216	.002	.704	.084
Accommodates all classes of buyer here	–.085	.051	–.027	.041	.818	.077	.046
Latest design is available	–.136	.268	.018	.875	.022	.073	.084
To keep oneself fashionable	.453	–.098	.016	–.131	.187	–.068	.661
Outlet name carries extra weight age	.344	–.245	.030	.708	.130	.034	–.020
One can blindly trust on a renowned outlet offerings	.035	.095	.218	.089	.650	.143	.042
Their apparel remains new for years	–.209	.279	–.025	.179	.096	.073	.707
Wearing this apparel gives me same feelings till rejection	–.256	.224	.328	.047	–.287	.119	.555
Stitching lasts for many years	.069	.641	–.265	.267	–.099	.276	.152
Too many are coming here so I came	.721	.060	–.150	.116	–.115	–.319	.201
Attracted by many advertisements	.438	–.213	–.555	.129	–.023	–.017	.008
Family shopping is possible under a roof	.468	.074	.577	.070	–.289	.374	.143
Convenient to buy as it pick and choice	.283	.203	.494	.574	.086	.344	.062
Buying here increases social recognition	.739	.140	.152	.115	–.038	–.126	–.174
Various discounts offers attract me	.819	–.031	.014	–.019	.059	.233	–.115
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.							
a. Rotation converged in 14 iterations.							

The under laying factor can be termed as 'shopping for a social process and discounts'.

Component 2 is associated with the following factors:

1. Buying apparel is not expensive here
2. I buy here because it saves money.
3. Stitching lasts for many years.

The under laying factoris'cost consciousness and value for money'.

Component 3 is associated with following factors:

1. Outlets are for middle class people.
2. Family shopping is possible under one roof here.

The underlying factors are 'comfort for family shopping and shopping for middle class'.

Component 4 is associated with following factors:

1. Latest designs are available.
2. Convenient to buy as it offers pick and choice.

The underlying factors 'shopping & merchandise convenience for the people'.

Component 5 is associated with following factors:

1. It accommodates all classes of buyers.
2. One can blindly trust.

The underlying factorsis 'customers' trust' Component 6 is associated with following factors:

1. Selection is easy.
2. Size creates no bar in selection

The underlying factor denotes'availability of choice'.

Component 7 is associated with the following factors:

1. The apparel remains new for years
2. Wearing this apparel gives me same feelings till rejection

Theunderlying factors include 'durability and longevity of apparel quality'.

Conclusions

Majority (85 percent) purchase apparel regularly from organized outlets. About 46 percent buy mostly casual wear while another 46 percent buy all types of merchandise. Majority customers (56 percent) shop once in a month. Seventy five percent of the customers are either neutral or agree that shopping is not expensive at organized outlets.

Customers gave high priority for availability of latest designs, availability of options, shopping for middle class, convenience of pick and choice and family shopping under one roof. Customers gave low priority for advertisements and trust

The underlying factors affecting apparel buying behaviour of store customers are shopping as social compliance and for discounts, cost consciousness and value for money, family shopping, shopping and merchandise convenience, customers trust, availability of choice and durability of and longevity aspects of apparel quality.

Recommendations

Retail managers should focus and strengthen availability of latest designs, many options, convenience of pick and choice and family shopping for which customers gave high priority.

Retail mangers should focus and incorporate the underlying factors determining the apparel buying behavior of the customers in their retail marketing strategies. These factors are cost consciousness and value for money, family shopping, merchandise and shopping convenience, availability of choice and durability.

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