Store Choice In The Emerging Indian Apparel Retail Market: An Empirical Analysis

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Abstract

Store Choice has been a subject of frequent research in the developed retail markets of the west. However, the retail sector in India has been largely fragmented and unorganized. However, the retail scenario in India is changing at a very brisk pace. Many international retailers entering India and many Indian retailers in the organized segment are coming up with stores all across the country, but a majority of these stores have merely transplanted western formats onto the Indian retail scene without actually evaluating the salience of various store attributes from the customer perspective. In light of this the purpose of this paper is to study the store choice criteria in the context of apparel retailing in India. Drawing from major global and Indian studies conducted in the past, this research has identified two dimensions, which in different combinations could create sustainable store choice and hence, store loyalty. These two dimensions are termed "loyalty drivers" and experience enhancers".

Keywords: store choice, store image, store attributes, shoppers' loyalty, apparel retailing, factor analysis

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Introduction

More and more retailers are seeking to extend their operations beyond national boundaries: already existing since the middle of 19th century, such international initiatives have multiplied since the 1970s, and seem to have become the norm today. As a result the global retail environment today' s changing more rapidly than ever before. It is characterized by intensifying competition from both domestic and foreign companies, a spate of mergers and acquisitions, and more sophisticated and demanding customers who have great expectations related to their consumption experiences (Sellers, 1990; Parikh, 2006). Operating networks of physical stores represent a crucial dimension of retail internationalization (Dawson, 1994, 2001). According to Pellegrini (2003) retail internationalization is not easy, and adapting to new markets is a subtle process: 'learning how to learn' is critical to success. This also applies to domestic retailers wanting to expand into a new region within their national boundary. In order to 'learn how to learn' it's pertinent that retailers recognize the differences in consumer preferences across various market segments.

The physical environments of retail stores, hotels, restaurants, professional offices, banks and hospitals reflect the overall image of the organization and influence individual consumer behavior in these service organizations (Bitner 1992). Specifically, the physical environment creates a tangible representation or image of a service organization and its services (Baker, Berry, & Parsuraman, 1988). In the context of the retail sector, the 'overall' image is termed as store attributes or store image. These store attributes are basically the marketing mix of the retailer (Morschett et al 2005; Ghosh 1990). The concept of store image was used by Martineau (1958) for the first time.

Store image is recognized as being another important antecedent of store satisfaction and loyalty. Store loyalty is built by satisfaction and this satisfaction, in its turn, is built by store image (Bloemer and Ruyter 1998). According to Levy and Weitz (2003), the store satisfaction is a post-consumption evaluation. The consumer will evaluate whether the store meets his expectations. Previous research suggests a retailer can build consumers' loyalty with a positive store image. Bloemer and Schroder

(2002) considered consumer satisfaction as a pleasurable level of consumption related fulfillment. Unfortunately, in today's scenario shareholder value has already become a dominant decision and policy-making determinant. In the process, customers can be relegated, in many cases, to a paltry secondary position in the overall scheme of things (Gilmore, Margulis and Rauch 2001).

The marketing concept is focused on the customer, and for retailers to do otherwise is to misdirect the energies of the company relative to its objectives. The challenge lies in the retailer better understanding the customer's needs and motivations, and most importantly those attributes and those perceptible dimensions of the shopping experience that are most considered by consumers so that suitable strategies can be devised to drive store choice and eventually to develop shoppers' loyalty.

To have a unique and a sustainable strategy a retailer needs to have a sufficiently strong competitive advantage across the markets in which it is operating. In practical terms this competitive advantage must operate through a strong customer-focused offering and appropriate supply chain skills. Most successful retailers do not bring new products to the market. They establish their position through an innovative format that carries an appropriate merchandise assortment and supporting retail facilities and services (Vida, Reardon, and Fairhurst 2000). In order to establish their advantage the retailers will have to understand their markets very well. They will need to formulate clear objectives and follow them up with judicious execution (Newman and Cullen 2002). Their survival will also depend upon their ability to continuous transformation to adapt to consumers new expectations (Colla 2004).

Changes in the existing retail structure in a market also have their own impact. In a study on the food retail sector in the US Sieders and Tigert (1997) found that the entry of new retail firms leads to erosion of store loyalty of existing retailers. Sieders and Tigert comment that:

"Store switching – as these markets show – is a very dynamic process, suggesting that store loyalty is low. Entrenched chains cannot stand still, but must constantly reinvent competitive advantage".

In the context of the Indian retail sector, today the only change in the Indian retail industry is change. A visit to urban India, especially the bigger

cities, offers sights of swanky malls, multiplexes and new attractive retail stores. As incomes rise, piggy-backing on a 8 plus per cent GDP growth, demand for a variety of goods, both consumables and durables, is expected to increase significantly. At the same time, in India traditional formats like hawkers, grocers and paan shops co exist with modern formats like supermarkets, and non-store retailing channels such as multilevel marketing and teleshopping (Mulky and Nargundkar 2003). But, in spite of the rapid transformation of the Indian retail landscape, currently only 4.6 per cent of the Rs 12,00,000 crore retail sector is "organized". The rest 95.4 per cent is shared by different types of retailers in the "unorganized" / traditional sector (India Retail Report 2007).

A visit to the major cities in India gives an impression that consumers are rapidly evolving and accepting modern retail formats overwhelmingly. The proliferation of Malls not just in the metros but also in second-rung cities is definitely introducing the Indian consumer to a shopping experience like never before. These modern shopping complexes are becoming, it appears, the destination point for shoppers as well as window-shoppers. But, the key issue is whether these modern facades represent successful retail models? A lot of modern retail store formats are western adaptations and they may not necessarily reflect the preferences of various store attributes by Indian consumers. Keeping this in consideration, the main motivation for this research is to help retailers determine the most important drivers of retail store choice. Using a "consumer evaluation of store attributes" framework this study predicted which retail marketing strategies can potentially lead to improved store performance and increased shoppers' loyalty. This study has taken the apparel shopping scenario in the Indian context. By identifying the most salient store attributes evaluated by apparel shoppers this study can assist retail firms (both existing as well as those planning to enter) in allocation of resources. Retail firms can use the analysis to frame suitable marketing strategies and thus obtain the highest marginal benefit of their operational investments.

The second motivation stems from a desire to fill a notable gap in academic literature on retail management in the Indian context. There have been very few studies of repute in the field of retailing in India. Of late, however, researchers and faculty at India's premier management institution

the Indian Institute of Management, Ahemadabad (www.iima.ernet.in) are taking an active interest in retailing. In this direction, the institute has also opened a 'Centre for Retailing' on its campus.

Objective of the Study

Keeping the research motivation in consideration the major objective of this study is:

To investigate how various apparel store attributes rate on shoppers' evaluation of stores.

Apparel shopping consists of shopping for men's and boy's wear; women's, children's, girl's and infant's wear; general clothing businesses; footwear; leather products and travel goods (Guy 1998).

The Indian Apparel Retail Scene

Retailing is India's largest industry accounting for over 10 per cent of the GDP and 8 per cent of the total employment[1].

According to estimates by the India Retail Report 2007 India's domestic market for clothing, textiles, and fashion accessories is estimated to be worth Rs. 113,500 crore, of which nearly 19 percent is fully organized. The apparel retail sector has also shown a 30.3 per cent year-on-year growth since 2004. Apparel and accessories retailing is the largest segment of organized retailing in India constituting 38.9 percent of the total organized retailing business which currently stands at about Rs 47,500 crores (Goyal and Mittal 2007).

Despite the relaxation in FDI norms, a large number of foreign brands have opted to enter the Indian market through the franchisee route or through shop-in–shop arrangements with leading department store chains such as Shoppers' Stop, Lifestyle and others. New formats like hypermarkets with their value offering and appeal to a broader section of consumer-base are further likely to increase the penetration of organized apparel retailing in the country. Already, apparel makes up for a larger proportion of total sales for hypermarket players like Big Bazaar and Vishal Mega Mart.

Malls are expected to be one of the main drivers of the growth of apparel retail in India. Most shopping centers attract large apparel retailers

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[1] India is No.1 nation of shopkeepers,(2006, December 16), The Times of India, p-1

since they act as anchor tenants and thus offer attractive terms. Going by apparel categories, the break up of the apparel market sizes is given in Table 1:

Table 1: Market Size of Various Apparel Sub-Categories

Apparel sub category	Market Size
Men's shirts	13.6 %
Sarees (Principal women's ethnic wear)	13.4 %
Inner ware %	10
Men's Trousers %	09.5
Other Women's ethnic wear) .7 %	07
Children's ware .8 %	14
Uniforms	08.7%

Source: India Retail Report- 2007

Review of Past Literature

Store Image Implications for Choice Process:

Hildebrandt (1988) said " the major success factor in the retail industry is store image and measurement model of store image that conceptualize the perception of store image attribute such as price level is used to forecast marketing performance as a business success measure".

Store attributes are a mix of functional and psychological attributes of a retail outlet as perceived by the consumer. Functional attributes include merchandise selection, price ranges, credit policies, tore layout and other factors that can be measures to some degree and used to compare one outlet objectively with its competitors. Psychological attributes are a little more difficult to identify and compare across outlets. They include such objective considerations as a sense of belonging, a feeling of warmth, or friendliness, or a feeling of excitement (Lindquist 1974-75). The total attributes of a store are also termed as the Store Image. In the context of the retail sector, the 'overall' image is termed as store attributes or store image. These store attributes are basically the marketing mix of the retailer (Morschett et al 2005; Ghosh 1990).

The concept of store image was used by Martineau (1958) for the first time. Martineau (1958) states that the store's personality draws shoppers to one store rather than another. Martineau says that not only

should retailers be concerned with value and quality of merchandise, but also with a wide range of other factors. All of these factors are expected to play a critical role in the success or failure of stores.

According to Hartman and Spiro (2005), the primary motivation to study store image has been to investigate the function of store image as a predictor of consumer behavior and store performance. The literature available suggests that store image is a key construct in understanding the inferences of store choice, store quality, store satisfaction, and is also an antecedent of competitive positioning.

According to Sheth (1983), patronage research started in the 1920s. However, most researchers marked the beginning of patronage research with Stone's (1954) conceptualization of shopping orientations categorized by economic, personalizing, ethical, and apathetic shopper types. Researchers have studied patronage behavior by various methods, such as out-shopping versus local purchases, different store types, different product types, and consumer attributes.

Academically, Mayer (1989) suggests that store image has been one of the primary conceptual topics in academic retailing research. Steenkamp and Wedel (1991) suggest that the development and measurement of a favorable store image is the most critical aspect of a retailer's marketing strategy.

Consumers form images of various stores based on their perceptions of the attributes they consider important and these images affect the choice process (Engel, Blackwell and Miniard 1995). The authors consider the store loyalty process as a function of consumer and store characteristics. To make a purchase decision, the consumer searches for information about the store in order to minimize the dissatisfaction risk. This information could be provided from the retailer itself through a sales promotion or advertising. The consumer could even receive recommendations from its neighbor, friends and family about the most appropriate place to go shopping. The retailer, with this information, could explore its retail marketing mix, in order to create the desired store image in the consumer mind. Engel, Blackwell and Miniard (1995), suggested a store choice model that involves the evaluative criteria used by consumers and perceived characteristics of store, that is, the store image in the

consumer mind. As mentioned before, consumers in each market segment form images based on their perceptions of the important attributes. These perceptions depend on various variables known as store attributes.

Store Choice and Shoppers' Loyalty:

In a study modeling the relationship between store image, store satisfaction, and store loyalty, Bloemer and Ruyter (1998) stated that there is a positive relationship between store loyalty, store satisfaction, and store image. In their study conducted in Switzerland on around 300 respondents, Bloemer and Ruyter use hierarchal regression analysis to prove that a favorable perception of store image leads to store satisfaction which in turn leads to store loyalty. This is also confirmed by Osman (1993), who states that customers' patronage behavior towards a particular store is dependent upon the image of a particular store. According to Levy and Weitz (2003), the store satisfaction is a post-consumption evaluation. The consumer will evaluate whether the store meets his expectations. Previous research suggests a retailer can build consumers' loyalty with a positive store image.

Bloemer and Schroder (2002) demonstrated that a consumer who perceives a positive image of a particular store is more likely to be satisfied with a store than a consumer who perceives a less positive store image. Therefore, their study concludes that a more positive store image would lead to a higher level of satisfaction. Moreover, a more positive store image would lead to a higher level of positive affect, increased the satisfaction level. By its turn, the satisfaction would lead to store loyalty if the trust and the commitment with the store were present.

Based on the review of store image attributes, it is possible to say that the retailer can use many tools to influence consumers' perceptions of store image to have a positive impact on store satisfaction and loyalty. These tools must be used correctly in order to make this positive impact possible in the consumer mind, placing the store as the first purchase option.

Research Methodology

Instrument Development

• Questions related to respondent demographics- Gender, Age, Occupation, Education, and Monthly Household Income (MHI);

- 40 store attributes items to measure store image.

Store Attributes Items: The store attributes questions were drawn from an extensive review of existing store image scales and from store attributes used in widely cited studies on store attributes. A study by Sinha, Banerjee and Uniyal (2002) has also been included in order to include store attributes in the Indian context. The items included in the questionnaire have been drawn from the following studies on store attributes and store choice:

- Dickson & Albaum (1997);
- Manolis, Keep, Joyce and Lambert (1994)
- Morschett, Swoboda and Foscht (2005)
- Dabholkar, Thorpe and Rentz (1996)
- Davidson et al (1984)
- Oppewal & Timmermans (1997)
- Yoo and Chang (2005)
- Gilbert (1999) and
- Sinha, Banerjee and Uniyal (2002).

The respondents were asked to rate the importance of the store attributes in choosing a store. The attributes were measured on a 7-point Likert type scale of importance with 1 being extremely unimportant and 7 being extremely important.

The validity of the instrument was established by consulting two senior retail professionals, and five faculty members of three leading management institutions / university departments were requested to compare and evaluate the items included in the questionnaire with the research objective.

Construct validity was improved by using store attributes included in previous research.

Sampling and Data Collection:

Only individuals more than 20 years of age were included in the sample. Only those respondents could be included who volunteered or

agreed to fill or respond to the questionnaire. A team of trained management students assisted in the fieldwork. The respondents were drawn from Delhi and its satellites Gurgaon and Faridabad. A total of 400 questionnaires were given to the respondents either at their workplace or in the market place or at their home out of which 333 were usable leading to a success rate of 83.25 per cent. The data was collected in the early part of 2007.

The respondents' sample marginally consisted of more females than males i.e. 55 % females and 45 % males. Most of the shoppers were in the 30-39 age group i.e. 48 %. 39 % of the shoppers were in the 20-29 age group with 13 % above the age of 40. The maximum number (59.8 %) of the respondents indicated that they were in jobs , the next highest number (21.3 %) indicated they were homemakers, 9 % were students, 6.6 % were entrepreneurs (businesspersons) and just 0.6% were retired individuals. In response to the question on educational qualifications, maximum respondents indicated they were graduates (56.6 %), followed by 40.1 % indicating they were post-graduates and the balance 3.3 % said they were under-graduates. The majority of the sample belonged to the Rs10,001-20,000 income category (46.7 %), 36.3 % had incomes in the Rs.20,001 to 30,000 income category. Just over 11% respondents had incomes maximum up to Rs.10,000 pm and 5.9 % had incomes in excess of Rs.30,000 pm. In summary the typical sample respondent profile can be described as follows (vide Table 2):

The majority apparel shoppers included in the research were women in the middle-age group (30-39 years). They were typically graduates, were in jobs and had monthly household incomes between Rs.10,001 to 20,000 (1 US$=Indian Rs 47).

Table 2: Apparel Shoppers' Frequencies

Descriptive	Code	Frequency	Percentage
Gender			
Male	1	150	45
Female	2	183	55
Total		333	100
Age			
20-29	1	120	39
30-39	2	148	48.1
40 and above	3	040	13
Total		308	100
Occupation			
Businessperson	1	22	6.6
Self-Employed	2	9	2.7
Professionals	3	199	59.8
Service	4	71	21.3
Homemaker	5	30	9
Student	6	2	0.6
Retired		333	100
Total			
Education			
Undergraduate	1	10	3.3
Graduate	2	172	56.6
Post Graduate	3	122	40.1
Total		304	100
Income (Rs.)-Per Month	1	34	11.1
<10,000	2	143	46.7
10,001 to 20,000	3	111	36.3
20,001 to 30,000	4	18	5.9
>30,000		306	100
Total			

Data Analysis:

In order to reduce the 40 store items included in the questionnaire and to discover the important dimensions of apparel store attributes Exploratory Factor analysis using principal component analysis method. The result of the factor analysis with varimax rotation with Kaiser Normalization is given as per Table 3. Rotation converged in 12 iterations. This procedure short-listed 37 apparel store attributes out of the original 40 attributes. These three attributes had to be dropped from further factor because they loaded more than .40 on more than two factors. Attributes

dropped included:

1. Pleasant

2. Toilets

3. Water

The KMO score is above .50 (.643) and the Bartlett's test is significant at 2 = 10785.316, df = 780 (vide Table 4). Thus, factor analysis is suitable for this research (Malhotra 2004; Hair et al 1998). The 37 apparel store attributes are factor analyzed to produce several factors. Only those factors were retained which have an eigen value more than 1 since they are considered significant. An eigen value represents the amount of variance associated with the factor. The result was that there were a total of 11 factors, which explained for more than 76 % of the total variance (vide Table 5). The factors considered should together account for more than 60% of the total variance (Malhotra 2004).

The inter-item correlation and inter-item consistency of each Factor was also measured by calculating each Factor's Cronbach's alpha (Cronbach 1951). Cronbach's alpha is a coefficient of consistency and measures how well a set of variables or items measures a single, unidimensional latent construct. A value of more than 0.6 Cronbach's alpha is considered a good measure of scale reliability (Nunnally 1978).

The Covariance matrix and the correlation matrix of the Factors obtained are also measured through the application of a Discriminant analysis function (vide Table 6).

Table 3: Rotated Component Matrix Apparel Store Attributes Components

Attributes	1	2	3	4	5	6	7	8	9	10	11
Bright		0.848									
Ads										0.793	
Quality				0.707							
Clean Store							0.804				
Prices						0.897					
Sales			0.827								
Pleasant								0.476		0.494	
Location					0.843						
Assistance	0.911										

Special Services							0.674		
Return	0.939								
Variety				0.832					
Reasonable						0.832			
Spacious						0.628			0.358
Layout		0.645							0.383
Visual Appeal						0.72			
Display		0.588							
Search						0.873			
Reputation								0.838	
Credit card	0.77								
Parking					0.818				
Knowledge	0.901								
Check Out		0.777							
Signage							-0.694		
Brands				0.77					
Fashion				0.855					
Value						0.904			
Guarantee	0.919								
Exclusive brands							-0.763		
Schemes			0.824						
Relationship								0.929	
Toilets			-0.604		0483		-0.377		
Water			-0.629		0463				
Recommend								0.952	
Loyalty scheme			0.674						
Music		0.784							
Changing room		0.709							
Risk-free	0.909								
Open days					0.709				
Air Conditioning									0.821

Table 4: KMO and Barlett's Test for Apparel Store Attributes

Kaiser-Meyer-Olkin Measure of Sampling	.643
Bartlett's Test of Sphericity Aprox. Chi-Square Df Sig.	10785.316 780 .000

Table 5: Apparel Store Factors Statistics

Factors	Loading	Eigen value	% of variance	Cronbach's alpha
Factor-1: Return/Guarantee Policies		6.326	15.814%	. 9536
Sales Assistance				
Return/Exchange Policy	.91			
Credit card facility	.94			
Salesperson's knowledge	.77			
Guarantee of products	.90			
Risk free purchasing	.92			
	.91			
Factor-2: In-Store Mobility		5.141	12.852%	. 8320
Bright store	.85			
Store Layout	.65			
Product display	.59			
Timely Checkout	.78			
Music	.78			
Changing Room	.71			
Factor-3: Sales Promotions		3.271	8.177%	. 8448
Sales on Products	.83			
Promotional Schemes	.82			
Loyalty Cards	.67			
Factor-4: Merchandise Mix		3.246	8.114%	. 8296
Quality of products	.71			
Variety	.83			
Brands selection	.77			
Fashion	.86			
Factor-5: Accessibility Dimension		2.665	6.664%	. 8177
Location of store	.84			
Parking facilities	.82			
Open on holidays	.71			
Factor-6: Value / Price Dimension		2.223	5.558%	. 8668
Value for money	.90			
Price of merchandise	.89			
Reasonable prices	.83			
Factor-7: Ambient Conditions		2.026	5.066%	. 7754
Ease of searching products	.87			
Clean Store	.80			
Visual Appeal	.72			
Spacious store	.63			
Factor-8: Exclusivity Dimension		1.936	4.840%	. 6659
Exclusive brand(s)				
Signage/Exteriors	-.763			
Special service *****	-.694			
* This item has to be dropped to ensure high scale reliability.	.674			
Factor-9: Store Recommendation/ Relationship		1.545	3.862%	. 9523
Recommendation by friends / relatives	.95			
Relationship	.93			
Factor-10: **Store Reputation/ Advertised Store**		1.288	3.220%	. 7251
Store advertisements	.79			
Reputation of store	.84			
Factor-11: Temperature		1.120	2.799%	
Air-Conditioning	.82			

Table 6: Covariance Matrix and Correlation Matrix of the Factors: Pooled Within-Groups Matrices*

		Factor1	Factor2	Factor3	Factor4	Factor5	Factor6	Factor7	Factor8	Factor9	Factor10	Factor11
Covariance	Factor1	1.326										
	Factor2	-.157	.436									
	Factor3	-.129	4.684E-02	1.871								
	Factor4	-.155	4.732E-03	.425	.739							
	Factor5	.446	-.225	2.355E-02	-7.607E-02	2.252						
	Factor6	-2.244E-03	3.593E-02	-4.874E-02	1.844E-02	-2.136E-02	1.013					
	Factor7	3.170E-02	-1.925E-03	1.071E-02	4.716E-02	.210	6.903E-02	.487				
	Factor8	1.094E-02	.200	-.825	-.176	.162	-5.175E-02	2.801E-03	1.661			
	Factor9	-.165	2.521E-02	3.789E-02	.108	1.742E-02	-5.658E-02	-6.776E-02	-8.161E-02	1.008		
	Factor10	1.928E-02	-2.719E-02	2.652E-02	2.042E-02	-.342	-9.261E-02	-.161	-3.564E-02	1.322E-02	.837	
	Factor11	-.137	1.627E-02	-.210	-.132	.105	-.140	-4.104E-02	-.111	-.152	-4.613E-02	1.396
Correlation	Factor1	1.000										
	Factor2	-.207	1.000									
	Factor3	-.082	.052	1.000								
	Factor4	-.157	.008	.361	1.000							
	Factor5	.258	-.227	.011	-.059	1.000						
	Factor6	-.002	.054	-.035	.021	-.014	1.000					
	Factor7	.039	-.004	.011	.079	.201	.098	1.000				
	Factor8	.007	.235	-.468	-.159	.084	-.040	.003	1.000			
	Factor9	-.143	.038	.028	.125	.012	-.056	-.097	-.063	1.000		
	Factor10	.018	-.045	.021	.026	-.249	-.101	-.253	-.030	.014	1.000	
	Factor11	-.101	.021	-.130	-.130	.059	-.118	-.050	-.073	-.128	-.043	1.000

* The covariance matrix has 331 degrees of freedom

Discussions:

The 37 store attributes have converged into 11 factors (Table 5). In order to measure the relative importance of each factor, their mean has been calculated based on the scores of their individual components. The rankings based on the mean scores are given in Table 7.

Table 7: Apparel Store Factor Rankings

FACTORS APPAREL STORES-RANKS	OVER-ALL MEAN SCORES	STD. DEV.	RANK
FACTOR-4: MERCHANDISE MIX	5.78	1.06	I
Quality of products	5.65	1.11	
Variety	5.71	1.17	
Well known Brands	5.87	1.01	
Fashion	5.89	0.97	
FACTOR-3: SALES PROMOTIONS	5.35	1.6	II
Sales on Products	5.36	1.72	
Promotional Schemes	5.35	1.61	
Loyalty Cards	5.34	1.47	
FACTOR-6: VALUE / PRICE DIMENSION	5.13	1.13	III
Value for money	5.13	1.13	
Price of merchandise	5.25	1.01	
Reasonable prices	5.02	1.18	
FACTOR-9:STORE RECOMMENDATION/RELATIONSHIP	5.08	1.02	IV
Recommendation by Friends /relatives	5.11	1.04	
Relationship with Store	5.05	1.02	
FACTOR-10 STORE REPUTATION/ ADVERTISED STORE	4.91	1.03	V
Store advertisements	4.80	1.07	
Reputation of store	5.02	1.00	
FACTOR-11: TEMPERATURE	4.68	1.19	VI
Air-Conditioning	4.68	1.19	
FACTOR-1: RETURN/GUARANTEE POLICIES	4.52	1.29	VII
Sales Assistance	4.58	1.27	
Return/Exchange Policy	4.55	1.25	
Credit card facility	4.53	1.26	
Salesperson's knowledge	4.47	1.29	
Guarantee of products	4.55	1.34	
Risk free purchasing	4.45	1.34	
FACTOR-7: AMBIENT CONDITIONS	4.33	.94	VIII
Ease of searching products	4.42	.87	
Clean Store	4.27	.96	
Visual Appeal	4.35	.92	
Spacious store	4.30	1.01	
FACTOR-5: ACCESSIBILITY DIMENSION	3.78	1.75	IX
Location of store	3.65	1.70	
Parking facilities	3.60	1.67	
Open on holidays	4.08	1.89	
FACTOR-2: IN-STORE MOBILITY	3.4	.89	X
Bright store	3.25	.78	
Store Layout	3.44	1.06	
Product display	3.59	1.04	
Timely Checkout	3.40	.99	
Music	3.34	.68	
Changing Room	3.37	.74	

FACTOR-8: EXCLUSIVITY DIMENSION	2.85	1.66	XI
Exclusive brand(s)	3.08	1.68	
Signage/Exteriors	2.63	1.64	
TOTAL N = 333	4.48	1.23	

All of the attributes are measured on a 7 point scale. Only those factors been retained that have an average mean score exceeding the mid-point i.e. 4.0. This now leaves us with the following factors mentioned in order of preference:

1. Factor-4: Merchandise mix: quality, variety, brands and fashion;

2. Factor-3: Sales Promotions: Sales and loyalty cards;

3. Factor-6: Value: Value for money and reasonable prices;

4. Factor-9: Store recommendation/relationship

5. Factor-10: Store reputation/advertisements;

6. Factor-11: Temperature;

7. Factor-1: Return/Guarantee policies; and

8. Factor-7: Ambient conditions: Ease of search, clean, visual appeal and spacious store.

The factors with mean scores above 5.0 have been considered to be very important and have been classified as "*loyalty drivers*". The factors with mean scores between 4.0 and 5.0 have been classified as "*shopping experience enhancers*".
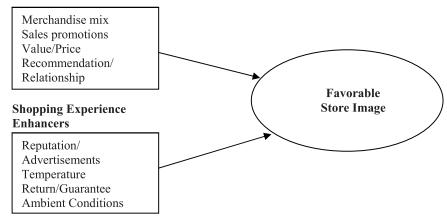
Loyalty Drivers

Figure 1: Apparel Store Preferences in an Evolving Market:

The *loyalty drivers* and *shopping experience enhancers* have been shown in a proposed model of store choice in Figure 1. The recommendations to apparel retailers for strategies for individual factors are given below:

Loyalty Drivers:

1. *Merchandise mix:* This dimension comprises perceived product quality, assortment, multi-brands and fashion. Though it may sound very elementary, this factor is the most important in determining store choice and enduring store patronage / loyalty. Retailers must ensure that they have a portfolio of national brands and the latest fashion. Fabric quality is also a very important attribute.

Here also, retailers, to increase profitability and negate manufacturer brand loyalty driven store patronage, should eventually add private labels and unique apparel (such as branded ethnic wear). Product selection (variety) and availability are components of the conventional retail marketing mix (Bitner, 1992). Shoppers would like to be able to choose from an assortment of different products; both in terms of different styles and different colors/sizes within one style. This type of assortment has also been hypothesized to build retail store image (Lindquist, 1974; Walters 1974; Zimmer and Golden, 1988). Since one of the most widely cited customer turnoffs is out-of-stock merchandise, it is also important that stores keep their merchandise adequately stocked. Customer search costs increase if the product they want is out of stock; as search costs increase, total costs increase, therefore perceived value decreases. Both availability and selection have been linked to customer satisfaction and loyalty behaviors (Wu and Petroshuis, 1987; Zimmer and Golden, 1988; Kerin and Peterson, 1993). Consumers' perception of the breadth and depth of different products and services offered by a retailer under one roof significantly influence store loyalty. The benefits of a broad assortment are clear. First, the greater the breadth and depth of product assortment, the greater the range of different situations in which the retailer is recalled and considered by the consumer, and therefore the stronger its salience. Second, the one-stop shopping convenience that a broad product assortment enables is becoming more important than ever for today's time-constrained consumer (Messinger and Narasimhan 1997), putting pressure

on retailers to broaden their assortment. Third, consumers regularly shop at more than one store, and, they may purchase a category in the store that they are visiting based on in-store assortment and marketing mix activities whereas they would otherwise have purchased it in another store. Together with the fact that unplanned purchases comprise a significant portion of consumers' total shopping basket, this gives an advantage to retailers with broader assortments.

2. *Sales Promotions:* Within this category, customer loyalty bonuses, free gifts, personalized cent-off coupons, and other point-for-benefit "clubs" are examples of sales promotions (Peterson 1995). Frequent flyer programs, Trying to earn points while shopping would help customers to remain loyal, regardless of service enhancement or price promotions of competitors (Sharp and Sharp 1997). Retailers need to give special attention to loyalty cards. A loyalty program should be a brand, unto itself standing on its own. A common rule is to make the loyalty program simple to execute and simple for the consumer to understand. Many loyalty programs are often designed for profitable returns on investment (ROI), but the customer has difficulty understanding the programs, so they fail. (Simpson 2001) Other relationship marketing researchers suggest avoiding a "club-like" theme. They stress that customers respond more desirable to an atmosphere of exclusivity and special service without labeling the loyalty program a club (Duffy 2001).

3. *Value/ Price dimension:* For mass marketers, considering the importance accorded to sales promotions, high-low pricing strategy is proposed. This pricing strategy involves the use of high everyday prices and low leader specials on items typically featured in periodic/end-season ads. The major benefit of high-low strategy is better profitability and store loyalty across a wide cross-section of income groups. No matter how the characteristics of the consumer, product, store, or purchase situation might differ, price represents the monetary expenditure that the consumer must incur in order to make a purchase. A retailer's price format, which is on a continuum between EDLP (Every Day Low Price) and HILO (High-Low Promotional Pricing), also influences consumers' store choice and shopping behavior. Bell and Lattin (1998) show that "large basket shoppers" prefer EDLP stores whereas "small basket shoppers" prefer HILO stores. The intuition behind the finding is straight-forward. Large

basket shoppers are captive to the pricing across a large set of product categories at a time and do not have the flexibility to take advantage of occasional price deals on individual products. They therefore prefer EDLP because it gives them a lower expected price for their shopping basket. Small basket shoppers, on the other hand, can take advantage of variations in prices of individual products and, by buying on deal, can lower their basket price even if average prices in the store are high.

4. *Store Recommendation/Relationship:* Retailers should use relationship marketing to ensure that their customers become their advocates. The concept of "Subjective Norm" is an important store choice variable for apparel shoppers. Retailers must ensure positive word of mouth by encouraging customer feedback and excellent service. Engaging in buyer-seller relationships might be one of the ways to satisfy the need for exchanges with other people (Forman and Sriram 1991). Shim and Bickle (1994) argued that many people buy from sellers not only to acquire goods and services, but also to seek socializing benefits. Forman and Sriram (1991) claimed that some people engage in buyer-seller relationships in their search for social recognition. Therefore, consumers with higher needs for social recognition can be expected to be more prone to engage in buyer-seller relations. Relationship focuses on converting customers into clients through providing better services to existing shoppers thereby having them concentrate their purchase with the retailer. This individual attention at the store level is expected to be a strong element in retailer survival and growth, as stores combine credit, point of sale, and geographic data to establish ongoing personal relationships and with regular customers. Such shoppers eventually become advocates of the retail firm (Alderson and Sessions 1962).

Shopping Experience Enhancers:

5. *Store reputation/advertisements:* The importance of creating a store reputation has already been outlined in the previous point. Retailers, in addition to sales promotions, should advertise on local and national media in order to build the store brand. Advertisements are important to consumers because apparels are socially visible products. The use of suitable celebrity endorsers should also be explored. Manufacturers could sponsor advertisements or the expenses could be shared. Retail advertising

does not have a consistent impact but instead appears to vary in influence, depending on product and store type. Nevertheless, it is certainly true that retail advertising can be important in fulfilling in any of its three goals: (1) to inform consumers, such as for a new store opening, (2) to persuade consumers that they should patronize a certain store to buy a particular brand, and (3) to remind customers of the store that they are appreciated. It has been observed that, advertising can be highly influential in cultivating a store image in consumers' mind. An important guideline in promoting an outlet is that the advertising must accurately portray the image of the outlet, its customers, and the goods and services offered. It should never promise more than can be delivered. Any customer who comes into the outlet in response to an advertisement must feel that the advertising told an accurate story (Lindquist and Sirgy 2003; Loudon and Della Bitta 2002).

6. *Return/ Guarantee policies:* This dimension consists of Sales Assistance, Return/Exchange Policy, Credit card facility, Salesperson's knowledge, Guarantee of products and Risk free purchasing. The store salespersons should be trained to act as consultants or problem solvers. The retailers should provide product warranties over and above that provided by the manufacturer. For chain stores, the customer should have the option of exchange/return at any store across the country. These steps will ensure customer loyalty and a positive word-of-mouth. Consistent with Morgan and Hunt (1994), trust in a firm is a buyer's confident belief in a seller's honesty towards the buyer. A recent metaanalysis in a channel marketing context suggests that trust precedes customer loyalty. Providing extended guarantees, guaranteed fresh products and a risk-free environment are precursors to creating "trust". Whether real or imagined, it is important that the marketer be aware of the different types of consumers risks associate with outlets. To minimize perceived risk, the objective for marketers & retailers should be to create an environment in which target customers can shop comfortably and with confidence (Lindquist and Sirgy 2003).

7. *Ambient Conditions and Temperature:* Both of these dimensions assume importance due to changing urban landscapes and the presence of major apparel stores in malls. Retailers could have aesthetics that communicate their positioning. Display should be functional for products-on-sale and innovative or thematic for special seasons, new merchandise etc. Termed as ambient factors by Baker (1986) these factors include

music, temperature, lighting, noise, colours and so on. Baker et al argue that, since ambient factors have a social identity appeal, a pleasing atmosphere in the store, created by the right mix of ambient attributes, should influence perceptions of socially communicative products in the store, not so much intrinsically rewarding products. This logic can be extended to argue that store atmosphere would have a greater impact on perceptions of products with higher perceived (social) risk. Quality of the store surroundings, or ecological designs, may affect the consumer's mood state at the point of purchase, which in turn may influence purchase behavior, brand evaluation and information acquisition and store loyalty (Gardner 1985).

Limitations and Future Research

This research deals only with apparel shopping scenario. Research in other markets has clearly shown that the importance given to various attributes by customers will differ when the shopping scenario changes (Hansen and Deutscher 1977; Greenberg et al. 1983; Sinha and Banerjee 2004). This research can be carried out for other retail sectors such as food and grocery, consumer electronics, gifts and so on. Further studies could be carried out to investigate the influence of demographics and psychographics on store choice and shopping orientations.

Conclusion

The objective of this research was to investigate the evaluation of apparel store attributes by Indian shoppers. It is difficult to fit a successful international format directly and expect a similar performance in India. The lessons from multinationals expanding to new geographies too point to this. For example, Wal-Mart is highly successful in USA but the story is different in Asian countries like China. Therefore, it is important for retailer to look at local conditions and insights into the local buying behavior before shaping the format choice. The findings suggest that the retailer's marketing strategy will have to take into account two sets of attributes: (1) Loyalty Drivers and (2) Shopping Experience Enhancers. Retailers can use these attributes in different degrees based on their positioning strategy, but the basic two dimensions will remain the same. These attributes will have to be integrated into the retail format. For apparel shopping the *loyalty drivers* are merchandise mix, sales promotions, price, and

recommendation/relationship whereas the *shopping experience enhancers* are store reputation/advertisements, temperature (air conditioning), return/guarantee, and ambient conditions.

Finally, retailers provide place, time, possession, and sometimes form utility for their suppliers and their customers by actively performing transactional, logistical, and facilitating functions. Retailers will also have to move consumers through the relationship marketing process to include trust, commitment, satisfaction, and perceived quality, thus leading ultimately to the capstone feature of lifetime value and loyalty. For ultimate consumers, the retailer anticipates their product and service needs, provides product storage and delivery, breaks product bulk into acceptable size, provides credit, provides product and service information, and assumes risk by giving guarantees and after sale service. For retailers to ensure shoppers' loyalty they need to understand is that retailing evolves over a period of time and various environmental factors may bring about changes in consumer perceptions and hence, the evaluations of different store attributes. This will mean that retailers must change to stay current.

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