

# Impact of Product and Service Related Marketing Attributes for Grocery Purchase from Different Retail Outlets in Haryana Region of NCR

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## ABSTRACT

*The objective of this research paper is to discuss the impact of product and service related marketing attributes responsible for the selection of different retail outlets in the Haryana region of National Capital Region. This paper highlights influence of these factors in the buying decision of the grocery products. The evaluation of the study used the standard deviation and z test to know the dissimilarity of listed factors between the unorganized and organized retail outlets. This study is mainly focused on the Haryana Region of NCR.*

## Key words

*Grocery Product, Unorganized Retailing, Organized Retailing, Attributes,*

## 1. INTRODUCTION

The retail industry is one of the fastest growing sectors of Indian economy. The retail industry is the link between the producers and the consumers. The ultimate objective of retailers is to better understand their customer requirement and consumer behavior on continuous basis. The marketing strategies are designed to cater the needs of the consumer and creating awareness about the product offered in the market. The success and failure of retail industry is highly related to the acceptance or rejection by the consumers. Thus retailing widely involves the understanding of consumer needs, developing worthy merchandise assortment in shopper convenient manner. The organized and unorganized retailing is two broad categories of retailing sector in the study area. The modern retail shop with computerized billing system and self service options comes under organized retail outlets while traditional Kirana stores come under unorganized outlets.

## 2. OBJECTIVES OF THE STUDY

This research is commenced the following research

objectives:

- To identify the product attributes and its influence on the selection of retail outlets.
- To identify the service attributes and its impact on the selection of retail outlets.

## 3. METHODOLOGY

The primary data was collected through stratified random sampling from the respondents of the Haryana Region of NCR randomly. Two cities (Gurgaon and Faridabad) of Haryana were selected for study purpose. Data was mainly collected from the respondents of IFFCO Choke, Guru Dronacharya, Huda City Centre, MG Road, Railway Station Road in Gurgaon and Sector 33, Sector 15, Bata choke in Faridabad through well designed questionnaire. The responses of 100 respondents were recorded for analysis. The ranking method was used to collect data to know the impact of product and service attributes regarding the preferences of retail formats.

## 4. LITERATURE REVIEW

Many researchers have studied the consumer behavior to understand the mindset of the customers of final decision. Some of the previous studies done in this area are as follows. RAI (2014, 2015) discussed the retail industry growth and revolution since the year 1995. This research highlighted the role of urbanization, disposable income and changing perception of rising middle class income on the modern retail formats. (Mark Lang et al, 2013) investigated the resemblances and differences of customer experience during grocery shopping. The Hierarchal regression technique was used to measure the effect of a composite shopping experience index on overall customer satisfaction. The findings revealed that food shopping experience were directly related to consumer satisfaction. Urmilla Itam et al. (2012) reviewed the survey conducted in Hyderabad and highlighted the employee commitment

towards modern organized retail sector. This study discusses the key conversions in their professional and personal life in terms of personal career growth, additional training requirement, and stress handlings approach and skill development programs. Asif et al. (2011) reviewed the performance of unorganized and organized retailing particularly in case of grocery and food merchandises in National Capital Region. Leela Rani et al. (2008) tested the consumer's reaction towards the studied variables under research. The research focuses on six variables i.e. brand loyalty, store distance, store loyalty, shopping frequency, and shopping attitude of respondent and perceived store prices. These variables are independent in nature and influenced the consumer behavior.

### 5. DATA ANALYSIS AND RESULT

The study objective was to identify the key marketing attributes responsible for the selection of retail outlets in Haryana region of NCR with special reference to grocery products. Out of many macro and micro influences the research mainly emphasized on product and service marketing attributes responsible for developing preference towards available retail formats. These two pertinent attributes were further divided into the sub attributes for the convenience and acceptance of understanding. The shoppers were well mindful about the benefits linked

different retail outlets. To attract and retain the customers, retailers were using a combination of marketing strategies to increase their loyal customer database. For simplicity purpose a well-designed questions were asked and recorded for further analysis. The list of attributes is presented in table 1.

**Table 1: Catalog of attributes and sub-attributes under study area**

Sub-Attribute	Attributes
Wide Range of Product Line, Better Quality Products, Choice of Brand, Choice of Size, Fresh and New Stock	Product
Home Delivery, Parking Facility, Payment Option, Membership Benefit, Time Saving, One Stop Shopping, Bargain, Credit Facility, Goodwill	Service

The Likert scale technique was used for investigative the qualified significance of listed product and service offered by the retailers on 5=strongly agree, 4= agree, 3= neither agree nor disagree, 2= disagree, 5= strongly disagree basis. The research has detailed the likings of Haryana respondents towards total 14 attributes. The respective percentage of these listed attributes are presented in table 2.

**Table 2: Frequency distribution of preferences among Haryana respondents (%)**

Preferences Attributes	Strongly Agree		Agree		Disagree		Strongly Disagree	
	Org	Unorg	Org	Unorg	Org	Unorg	Org	Unorg
<b>Product Related Attributes</b>								
Wide Range of Product	54.5	0.0	45.5	5.1	0.0	57.7	0.0	9.0
Better Quality Product	63.6	46.2	36.4	48.7	0.0	2.6	0.0	0.0
Choice of Brand	31.8	1.3	68.2	35.9	0.0	26.9	0.0	1.3
Choice of Size	4.5	39.7	27.3	53.8	27.3	2.6	9.1	0.0
Fresh and New stock	50.0	42.3	50.0	19.2	0.0	2.6	0.0	0.0
<b>Service Related Attributes</b>								
Home Delivery	0.0	23.1	13.6	44.9	50.0	3.8	18.2	0.0
Parking Facility	27.3	3.8	68.2	12.8	0.0	48.7	0.0	14.1
Payment Options	36.4	28.2	59.1	29.5	0.0	35.9	0.0	2.6
Membership Benefits	9.1	6.4	31.8	11.5	45.5	7.7	4.5	62.8
Time Saving	9.1	21.8	50.0	60.3	0.0	2.6	4.5	1.3
One Stop Shopping	59.1	16.7	31.8	33.3	0.0	6.4	0.0	0.0
Bargain	4.5	37.2	9.1	35.9	50.0	10.3	36.4	3.8
Credit Facility	0.0	43.6	22.7	41.0	50.0	1.3	13.6	2.6
Good Will	0.0	35.9	22.7	47.4	40.9	2.6	4.5	0.0

The organized shopper has mentioned the wide range of product availability, choice of brand, one stop shopping

were the main dominating factor for shopping from organized retail. While unorganized shopper were showed

strong preference towards credit facility, goodwill and home delivery feature. Due to these mentioned reasons, consumers prefers to select a particular retail outlet.

**Table 3: Role of attributes for grocery products purchase by Haryana respondents**

Types of Attributes	Unorganized Retail			Organized Retail		
	Mean	Mode	SD	Mean	Mode	SD
<b>Product Related Attributes</b>						
Wide range of product	2.29	2	0.705	4.55	5	0.510
Better Quality Product	4.38	4	0.669	4.64	5	0.492
Choice of Brand	3.09	4	0.856	4.32	4	0.477
Choice of size	4.31	4	0.670	2.91	3	1.065
Fresh and new stock	4.01	5	0.947	4.50	4	0.512
<b>Service Related Attributes</b>						
Home Delivery	3.87	4	0.812	2.27	2	0.935
Parking facility	2.44	2	1.014	4.23	4	0.528
Payment Options	3.45	2	1.306	4.32	4	0.568
Membership benefits	1.91	1	1.341	2.95	2	1.174
Time saving	3.99	4	0.764	3.59	4	0.854
One stop shopping	3.60	3	0.843	4.50	5	0.673
Bargain	3.92	5	1.125	1.95	2	1.090
Credit system	4.22	5	0.892	2.45	2	1.011
Goodwill	4.17	4	0.763	2.73	2	0.883

Table 3 depicts the determinants responsible for choosing a retail format in Haryana region of NCR. The shoppers strongly agreed that marketing dynamics plays strong role for the preference of retail outlets. The mean, mode and standard deviation was calculated for all fourteen listed marketing attributes for analysis purpose. To know the difference of preference among organized and unorganized shopper z-test was selected for analysis.

**5.1 Two-sample Z test for Means:**

The z test was selected to analyze the role of various product attributes to select organized and unorganized retail format for grocery shopping. The result and interpretation of z test is explained in details. Total two broad hypotheses were designed to know the any variation between the means of marketing attributes in the organized and unorganized retail sector.

1. *Null Hypothesis Ho: There is no difference between the mean of product attribute in the organized and unorganized retail sector.  $H_0 = (\mu_1 - \mu_2) = 0$  or  $\mu_1 = \mu_2$*

*Alternative Hypothesis Ha: There is difference between the mean of product attribute mean in the organized and unorganized retail sector.*

$$H_a = (\mu_1 - \mu_2) \neq 0 \text{ or } \mu_1 \neq \mu_2 \text{ (} \mu_1 - \mu_2 \text{) } \neq 0 \text{ or } \mu_1 \neq \mu_2$$

2. *Null Hypothesis Ho: There is no difference between the mean of service related attributes in the organized and unorganized sector.  $H_0 = (\mu_1 - \mu_2) = 0$  or  $\mu_1 = \mu_2$*

*Alternative Hypothesis Ha: There is difference between the mean of service related attributes in the organized and unorganized sector.*

$$H_a = (\mu_1 - \mu_2) \neq 0 \text{ or } \mu_1 \neq \mu_2 \text{ (} \mu_1 - \mu_2 \text{) } \neq 0 \text{ or } \mu_1 \neq \mu_2$$

The responses of Haryana region was analyzed at the 0.05 level of significance corresponding to which the critical z value obtained from the normal table was  $\pm 1.96$ . To test the hypothesis decision rule was set, that is if the computed value of the test statistic exceeds the critical value then the null hypothesis is rejected otherwise accepted. The result of z-test is presented in Table 4.

**Table 4: z test results for the effect of product attributes on the choice of retail format in Haryana**

Product Related	Retail Type	Mean	Known Variance	z	P(Z<=z) one-tail	P(Z<=z) two-tail
Wide Range of Products	Organized	4.55	0.26	16.697	0	0
	Unorganized	2.295	0.496			
Better Quality Product	Organized	4.636	0.242	1.945	0.026	0.052
	Unorganized	4.385	0.448			
Choice of Brand	Organized	4.318	0.227	8.749	0	0
	Unorganized	3.09	0.7321			
Choice of Size	Organized	2.909	1.134	-5.842	3.00E-09	5.00E-09
	Unorganized	4.308	0.4495			
Fresh Stock	Organized	4.5	0.2619	3.185	0.001	0.001
	Unorganized	4.013	0.896			

The organized observation were 22 and unorganized were 78, z critical one tail value and z critical two tail value were 1.645 and 1.96 respectively. In case of wide range of products, In Haryana region the z test computed value (16.67) is more than the z value achieved from the standard table ( $\pm 1.96$ ) indicates to accept the alternative hypothesis condition. In case of better quality of product attribute, the calculated value of the z test was less than the critical value (1.945) in case of Haryana, thus the null

hypothesis condition is valid, concludes no variation between the quality of product offered by organized and unorganized retail format. In case of choice of brand, choice of size grocery items and fresh stock the study found consistency in z test computed value (8.74, -5.84 & 3.18) is more than the z value achieved from the standard table ( $\pm 1.96$ ) denotes to accept the alternative hypothesis condition.

**Table 5: z test results for the effect of service attributes on the choice of retail format in Haryana**

Service Related	Retail Type	Mean	Known Variance	z	P(Z<=z) one-tail	P(Z<=z) two-tail
Home Delivery	Organized	2.273	0.874	-7.284	0	0
	Unorganized	3.872	0.659			
Parking Facility	Organized	4.227	0.279	11.137	0	0
	Unorganized	2.436	1.028			
Payment Options	Organized	4.318	0.323	4.55	0	0
	Unorganized	3.449	1.705			
Membership Benefits	Organized	2.955	1.378	3.568	0	0
	Unorganized	1.91	1.797			
Time Saving	Organized	3.591	0.729	-1.96	0.025	0.049
	Unorganized	3.987	0.584			
One stop Shopping	Organized	4.5	0.452	5.211	0	0
	Unorganized	3.603	0.71			
Bargain	Organized	1.955	1.188	-7.428	0	0
	Unorganized	3.923	1.266			
Credit Facility	Organized	2.45	1.02	-7.41	0	0
	Unorganized	4.218	0.796			
Goodwill	Organized	2.72	0.7792	-6.94	0	0
	Unorganized	0.588				

In case of nine listed factors under service marketing attributes the calculated value of the z test was more than the critical value and way out to the rejection region thus the null hypothesis condition is invalid, concludes the

differences between service offered by organized and unorganized retail format. The shopper has found the difference between the product and services offered by different types of retailers. Here it is very imperative to

highlight that respondents of Haryana region clearly indicated that both organized and unorganized retailers were offering a variety of product and services attributes. These attributes play a crucial role regarding the creation of preferences among shoppers. The retailers are interested to know the preferences of their target group. These consumers' preferences are the basis to design marketing strategies as to attract and retain customers in long run.

## 6. CONCLUSION

The study focuses on the role of product and service attributes affecting the consumer behavior while choosing retail outlets. Haryana respondents are making their purchase from both organized and unorganized retail outlets. The mean, mode and standard deviation was conducted and standard deviation was within the range in all range of attributes. Further the z test result concluded the significant difference between organized and unorganized retail outlets in case of product and service attributes. While the result of the z test found difference between the product and service offered by organized and unorganized retailers, the growth of organized retail sector especially in the metro cities indicates the fast adoption pattern of the consumer behavior. Today's customer is not only buying a particular product rather looking for the bundles of satisfaction in terms of service associated etc. Thus retailer needs to focus on the rapid change in the customer expectation and need to listen them careful to attract and retain them. The customer relationship management is the ultimate strategy of success irrespective of organized and unorganized retailing.

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