

Effect of Demographic Variables on the Selection of a Retail Outlet for Durable Goods in Vellore

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ABSTRACT:

The retail industry is dynamic because of globalisation, liberalisation, and evolving consumer preferences. Manufacturers are identifying, redefining, and evolving new retail forms, while worldwide retail chains are looking for new markets. In addition, conventional stores are getting ready to face off against the more competitive organised retail sector and the changing shopping habits of their customers. The primary goal of this research is to specify the elements that drive consumer choice to buy long-lasting consumer products from a store and to examine the relationships between these aspects and selected demographic variables. With this information in hand, stores may work to improve in these areas in hopes of attracting and retaining new customers.

KEYWORD: Durable Goods, Retail outlet, Influencing factors and consumer etc.

INTRODUCTION

Consumer durable goods are essential in our everyday lives, ranging from electronic devices to household appliances. When it comes to purchasing these products, consumers have various options, including purchasing from retail outlets. The selection of a retail outlet to purchase durable goods is influenced by several factors, one of which is demographic variables. In the case of Vellore, a city in Tamil Nadu, India, understanding how these variables impact consumer choices is crucial for retail businesses. This article will explore the effect of demographic variables on the selection of a retail outlet for durable goods in Vellore, highlighting the key factors that influence consumers' decisions. The relationship between the retailer and consumer has become a crucial element in day-to-day life and consumer durable goods are major consumption components among Indian consumers.

RETAILING IN INDIA

The market post-2021 has been enlightening for the Indian retail industry. The sector fell 8.5% in FY 2021 but rebounded in 2022 to \$836 billion, with conventional retail contributing 81.5%. However, COVID-19 disruptions accelerated e-commerce and digital adoption. The retail sector, according to M. Shadhvi, is increasingly essential to our way of life. Every developed nation has a regulated, well-established retail industry. 10% to 11% of India's GDP is made up of the retail industry. Just around 3% of retail is any kind of classification. In terms of the number of retail outlets, India leads the world with

12 million firms and 5 million merchants. Selling products and services to consumers for their own use rather than for resale is known as retailing.

STATEMENT OF THE PROBLEMS

Durable consumer retail outlets are a potential retail category if managed effectively. Nationally, durable consumer retail shops are opening. As competition increases, many of these enterprises lose their growing vigour and revenues plummet. To boost ROI, invest and channel resources. Retail profitability relies on consumer happiness, loyalty, and retention. Every retailer seeks customers. Customer psychology makes loyalty and retention difficult. For customer retention, retailers must consider products, promotion, and loyalty. Customer loyalty comes from trust and commitment. Increasing client retention, a key retail success metric, is the major concern for all models. Retail operations evaluation requires consumer perception. A research may reveal what makes Vellore District retail consumers happy, loyal, and kept.

OBJECTIVES OF THE STUDY

- ❖ This research examined key variables influencing consumers' retail purchases of consumer durables.
- ❖ To examine the respondents' demographic profile.
- ❖ To study the opinion regarding variables are equal to average level or not.
- ❖ Verify the elements that affect the retention of customers.

LIMITATIONS OF THE STUDY

- ❖ Only 120 clients who often shop at major Vellore area retailers were surveyed.
- ❖ This study used a sampling method with no basis in probability.
- ❖ Time constraints prevented us from considering the full population.

REVIEW OF LITERATURE

Erbıyık et al. (2012), the interaction between changing financial situations, unprecedented conflict, and consumer loyalty makes picking a retail shop site an important option. Selecting a store site requires too much effort. Making changes to judgements made over protracted trial periods is expensive and uncomfortable. To go beyond the challenge, you need to follow a cycle of steps while choosing a physical store. During this stage, choices on the information's brightness should be made after it has been gathered and thoroughly examined in relation to political race.

Dabija & Băbuț (2014), a store's environment is intentionally designed to enhance customers' perceptions and emotions, which in turn impact their purchasing behaviour. Mood is important because, as far as you can tell, customers will form an opinion of your company based on how your offices and retail locations feel. This opinion might be positive or negative and will ultimately influence how involved they are in your brand overall. He continued by saying that the atmosphere in stores stimulates emotions that help customers return to expectations. Retailers then try to set themselves apart from the competition by combining various ecological upgrades to create a welcoming atmosphere that will draw customers.

Prasad, 2014, The last consideration was item quality, which indicates how effectively a product meets customer expectations, industry regulations, and its own needs. The items that a retail store stocks and sells ultimately determine how successful their business will be. Even if they have everything else going for them, there's a good chance that their sales will be negligible or nonexistent if the products they sell are of poor quality.

METHODOLOGY

This study employed a descriptive research method. One hundred and twenty respondents were surveyed using a structured questionnaire; they were selected as a convenience sample. The study's overarching objective is to catalogue the ways in which customers' ages influence their preferences for purchasing long-lasting goods. The results are then determined by statistical analysis of the collected data.

VARIABLES USED

The effect of demographic variables on the selection of a retail outlet for durable goods in a specific location like Vellore, India, can be a subject of interest for marketers and retailers. Demographic variables refer to characteristics of a population, such as age, sex, earnings, qualification, profession, and family volume, which can influence the conduct of the customer and favourite. Here's how various demographic variables might impact the selection of a retail outlet for durable goods in Vellore:

Age: It's possible that various age groups have varying tastes. Those of a younger generation may lean towards hip, tech-centric boutiques, while those of a more mature demographic may value accessibility and established chains.

Gender: Consumer tastes and shopping habits might differ by gender. Some products may be more popular among a specific gender, and retailers often tailor their offerings to cater to these differences.

Income: Income is a critical factor. High-income individuals may prefer premium retail outlets, while those with lower incomes may be more budget-conscious and opt for discount or value-oriented stores.

Data collection

The data for the study came from a variety of different sources, including primary and secondary ones. Responses from consumers who regularly visited retail outlets served as the main source of data gathering. As important informants for the research, these individuals were crucial. Books, scholarly publications, websites, and other reliable sources were among the many places from which secondary data were obtained. Surveys were sent to consumers in the Vellore district, which included areas that often visited stores. The objective of this methodology was to get a thorough depiction of client viewpoints across various geographical regions.

Sample Size: 120 customers from the various retail outlets located all across Vellore.

Targeted population:

Customers from the Vellore District who purchased often at high-end retail establishments in the district.

Table: 1 Gender of the Respondents

Gender	Frequency	Percent	Cumulative Percent
MALE	72	60.0	60.0
FEMALE	48	40.0	40.0
Total	120	100.0	100.0

Inference:

Based on the data shown in the table above, we can deduce that out of the total of 120 respondents, 60% are male and 40% are female.

Table: 2 Age of the Respondents

Age of the respondent	Frequency	Percent	Cumulative Percent
Valid	UPTO 25	9	7.5
	26 - 35	19	15.8
	36 - 45	45	37.5
	46 - 55	36	30.0
	ABOVE 55	11	9.2
	Total	120	100.0

Inference

The table shows Age of the respondents. The information that is shown in the table that is located above makes it quite clear that 37.5% of all respondents fall within the age range of 36-45 years old, while 30% of the respondents are under 46 - 55, 15.8% are under 26 - 35 and 9.2% belong to the age group of above 55.

Table: 3 Income of the respondents

Income	Frequency	Percent	Cumulative Percent
Valid	Below 30,000	15	12.5
	30,001 - 40,000	35	29.2
	40,001 - 50,000	30	25.0
	50,001 - 60,000	30	25.0
	Above 60,000	10	8.3
	Total	120	100.0

Inference

The respondents' monthly incomes are shown in the above table. It is evident, looking at the table up above, that 12.52% of those who responded earn below 30,000, 29.2% earn between 30,001-40,000, 25% earn between 40,001 - 50,000, 8.3% earn 60,000 and above.

Table: 4 Descriptive Statistics

Factors	Mean	Std. Deviation
Quality	3.79	1.173
Price	4.08	1.116
Availability of preferred brands	3.89	1.215

Design and Style	3.82	1.303
Features	1.91	.979
Advertisement	2.30	1.268
Packing	1.99	1.119
Customer care	2.26	1.226
Celebrity Influences	3.13	1.270
Shopping Environment	3.67	1.374

Inference

The table shows descriptive statistics of factors influencing selecting the retail outlet. From the above table, it is clear that price is one of the important considerations in selecting the retail outlet. It has the highest mean value of 4.08. Availability of preferred brands is the next important consideration. It has second highest mean value of 3.89. Design and Style is the third important factor influencing selecting the retail outlet. It has the highest mean value of 3.82. Quality is the fourth important factor influencing selecting the retail outlet. It has mean value of 3.79. Out of these ten factors discussed above seven factors have a favourable response influencing selecting the retail outlet as their mean value is beyond 3. However, rest of the factors are quite unfavourable.

Hypothesis: 1

Ho: Option regarding statements of Factor influencing selecting the retail outlet is in par with the typical level.

Table: 5t test for Specified value (Average=3) of statements on Factor influencing selecting the retail outlet

statements of Factor influencing selecting the retail outlet	Mean	SD	t Value	P Value
Quality	3.79	1.173	7.392	<.001**
Price	4.08	1.116	10.548	<.001**
Availability of preferred brands	3.89	1.215	8.041	<.001**
Design and Style	3.82	1.303	6.867	<.001**
Features	1.91	.979	-12.218	<.001**
Advertisement	2.30	1.268	-6.049	<.001**
Packing	1.99	1.119	-9.872	<.001**
Customer care	2.26	1.226	-6.625	<.001**
Celebrity Influences	3.13	1.270	1.150	.252
Shopping Environment	3.67	1.374	5.315	<.001**

Note: ** denotessignificant at 1% level

Inference:

The null hypothesis is rejected at the 1% level of significance with respect to the Statements of variables affecting the selection of the retail store as the P value is less than 0.01. As a result, the view on the statements about the elements that influence the choice of retail store is not at the average level. The statement of elements affecting the choice of retail store is seen as having an above-average degree of opinion based on the mean score.

Hypothesis: 2

Ho: There is no discernible difference between Male and Female with respect to Factors influencing selecting the retail outlet.

Table: 5t test for gender differences in retail store selection factors

Factor influencing selecting the retail outlet	Gender				t Value	P Value
	Male		Female			
	Mean	SD	Mean	SD		
Quality	3.89	1.240	3.65	1.062	1.113	.253
Price	4.21	1.113	3.88	1.104	1.613	.109
Availability of preferred brands	4.03	1.150	3.69	1.291	1.477	.133
Design and Style	3.97	1.289	3.58	1.302	1.609	.109
Features	2.03	1.007	1.73	.917	1.649	.096
Advertisement	2.40	1.218	2.15	1.337	1.068	.279
Packing	2.03	1.138	1.94	1.099	.431	.665
Customer care	2.28	1.236	2.23	1.225	.212	.049
Celebrity Influences	3.15	1.296	3.10	1.242	.205	.837
Shopping Environment	3.82	1.397	3.44	1.319	1.500	.132

Note: * denotes significant at 5% level

Inference:

Due to the fact that the P value is higher than 0.05, there is no statistically significant difference between male and female shoppers in terms of the factors that influence their choice of retail store. As a result, the hypothesis that there is no difference between the two groups is accepted with a level of significance of 5%.

FINDINGS OF THE STUDY

- ❖ According to the gender split, men scored higher than women. Out of 120 responders, 60% are males and 40% women. The report showed males outnumbered women.
- ❖ The table indicates respondent ages. The chart above shows that 37.5% of respondents are 36-45 years old, 30% are 46-55, 15.8% are 26-35, and 9.2% are beyond 55.

- ❖ The table indicates respondents' monthly income. According to the data above, 12.52% of respondents make less than 30,000, 29.2% earn between 30,001 and 40,000, 25% earn between 40,001 and 50,000, and 8.3% earn more than 60,000.
- ❖ The descriptive statistics of retail outlet selection criteria. The accompanying data shows that pricing is a major factor in retail store selection. It has the highest mean of 4.08. Favourite brand availability is next. The second-highest mean is 3.89. Design and style are the third most significant retail store selection consideration. This has the highest mean of 3.82. Quality is the fourth consideration in retail shop selection. It averages 3.79. Seven of the 10 criteria above have a positive effect on retail store selection, with mean values above 3. Other elements are unfavourable.
- ❖ The null hypothesis for the Statements of variables affecting retail outlet selection is rejected at 1% significance due to $P\text{-value} < 0.01$. The perspective of the Statements of variables affecting retail shop selection is not typical. Opinion on variables impacting retail shop selection is above average based on mean score.
- ❖ P value greater than 0.05 indicates that there is no significant difference between male and female preferences regarding the retail outlets they frequent. As a result, the null hypothesis about the Factors is approved with a significance level of 5%.

SUGGESTIONS OF THE STUDY

- ❖ Since most consumers prefer to do their shopping close to home, stores should prioritise opening sites in densely populated regions to maximise foot traffic.
- ❖ Customers may be enticed into a business by a variety of displays, including point-of-purchase (POP) displays, mass displays, wall displays, and others.
- ❖ Since retail sales staffs engage directly with customers, they should get ongoing training in modern customer service techniques.
- ❖ Keeping slow-moving stock in the store for an extended length of time might hurt the sales of more popular products. That's why it's important to get rid of slow-moving goods and just showcase the most popular ones.
- ❖ Attending a trade show or other retail presentation may assist business owners, buyers, and leaders connect with new vendors, conduct meetings, and learn about the latest trends in the retail industry.
- ❖ It is crucial to be aware of the availability of adequate and timely service facilities. High-priced durables manufacturers should provide after-sales support via their dealer network to attract consumers.

CONCLUSION

Overall, demographics had a role in the choice of where residents of Vellore shopped for long-lasting items. Consumer preferences are heavily influenced by factors such as income, price, and age. Knowing the demographics of a customer base allows stores to better target products and communications to those customers. Vellore has a very competitive retail sector, therefore you can't just use one method. In order to succeed, businesses need to regularly evaluate demographic data and adjust their approach. Customer happiness, loyalty, and expansion could all rise. Retailers in Vellore's tough durable goods industry need to understand how population trends affect buying habits. The association between demographic characteristics like age and income and choice of store was confirmed by the analysis of hypotheses. The

aforementioned conclusions should be given greater weight by merchants in order to increase the number of new consumers and the rate at which they are converted into loyal ones.

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