

BUYERS' PREFERENCES FOR ORGANIZED AND UNORGANIZED APPAREL RETAIL STORES- A COMPARATIVE STUDY

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ABSTRACT

Apparel industry in India is an industry where there is seen a continuous deviation in consumer's choice and preference. India is covered with unorganized retail market but retail industry in India has emerged as one of the most dynamic and fast paced industries with the entry of very large corporate houses like Reliance Fresh, Vishal, AV Birla group, Bharati Walmart joint venture, Big Bazar, Spencer, Food Mart etc. The Indian apparel industry has seen remarkable changes in the past few years and it is also one of the India's largest foreign exchange earners. India's Apparel industry (domestic + exports) is expected to grow from the current \$ 70 billion to \$ 220 billion by 2020.

The present study was intended to know the effect of attributes associated with different apparel retail formats on buyers' preferences to visit the retail stores. Findings of the study revealed that apparel buyers of different format of apparel retail stores have their own peculiar characteristics and decision preferences. The win-win relationship between different categories of apparel buyers and different format of apparel retail stores is a good indicator for the overall growth of apparel market as it is fulfilling the need of different categories of buyers by providing customized services as per the buyers' preferences.

Keywords: Apparels, Organized and unorganized stores, Buyers preference.

I. INTRODUCTION

The textile and apparel industry plays a vital role in the Indian economy and is the single largest source of foreign exchange earnings for India. Currently the industry accounts for 4 percent of GDP, 20 percent of industrial production, and slightly more than 30 percent of export earnings. About 38 million people are employed in the Indian industry, making it the single-largest source of industrial jobs and the second-largest overall (after agriculture).

The apparel industry is one of the fast growing industries in India. The industry has short life cycle, volatile and unpredictable demand and tremendous product variety with long and inflexible supply process. Moreover, Indian apparel industry is in the global radar, attracting the attention of other international countries. The apparel industry in India has substantially diversified on the basis

of fashion, climate, region, culture and fiscal factors. Apparel's are segmented into Ethnic, Formal, Casual and Sport wear. Casual apparels dominate the segmentation with major share of 53% followed by sports with share of 27% due to youth population being the major demographic of India's population. Indian textile is witnessing great growth and development in the industrial sector in India as well as abroad. The significance of the apparel industry is entirely based on the contribution of the industrial productivity and employment. Indian apparel industry produces clothes for domestic as well as international markets. The apparel industry consists of small, medium and large size companies. According to the company sizes, total number of employees in a firm varies. Small manufacturing companies that sell garments primarily to the local market are scattered in all over India. Medium and large size firms produces bulk quantity for export market as well as domestic market are located only in few zones, like in North India (Delhi, Gurgaon, Noida, Ludhiana), South India (Chennai, Tripura and Bangalore), East Zone (Kolkata) and west zone (Mumbai and Ahmadabad). In recent years the apparel industry is growing in other parts of India like Rajasthan, Hardwar and Patna etc. In manufacturing maximum no. of employees are worker.

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Apparel industry in India is an industry where there is seen a continuous deviation in consumer's choice and preference. India is covered with unorganized retail market but retail industry in India has emerged as one of the most dynamic and fast paced industries with the entry of very large corporate houses like Reliance Fresh, Vishal Mega mart, AV Birla group, Bharati Walmart joint venture, Big Bazar, Spencer, Food Mart etc.

The modern Indian consumer is seeking more value in terms of improved availability and quality, pleasant shopping environment, financing options, trial rooms for clothing products, and competitive prices. This has created a rapid growing opportunity for organized as well as unorganized retail stores.

The present study was intended to know the effect of attributes associated with different apparel retail formats on buyers' preferences to visit the retail stores.

There are various attributes on which consumers buying behavior depends and study of these attributes will help in knowing the store choices & preferences of consumers.

II. LITERATURE REVIEW

(Sproles and Kendall, 1986) define a consumer decision making (CDM) style as "a mental orientation characterizing a consumer's approach to making choices." They developed a comprehensive instrument called Consumer Style Inventory (CSI) to measure consumer decision making styles. This instrument measures eight mental characteristics of consumer's decision making: perfectionism, brand consciousness, novelty-fashion consciousness, recreational, price-value consciousness, impulsiveness, confused by over choice, and brand-loyal/habitual.

Shopping for functional reasons that are task oriented and rational is satisfied by utilitarian value. Perception of utilitarian shopping value is dependent upon satisfying the particular consumption need that triggers the shopping trip. Hedonic consumers, like utilitarian consumers, also may experience hedonic value or benefits through vicarious consumption, without the purchase of any goods or services (Babin et al., 1994).

Bargain prices may evoke emotional response in a consumer who perceives a difference between the selling price and the consumer's internal reference price. The response may be an increase in the consumer's sensory involvement and excitement. While cognitive factors account for store selection and most planned purchases, the retail environment and emotional states also contribute to purchase behaviour (Sherman et al., 1997).

Trained salespeople play an important role in apparel industrial mass customization practices. In every process, trained salespeople help the customer to choose what styles s/he desires as specifically as possible. Another similar point of mass customization in the apparel industry is that size and style selections are limited to reduce the overhead costs (Lee & Chen 1999).

The shopping experience and related lifestyle of the consumer become salient in differentiating one retail bundle from another. Involvement also is a significant predictor of overall shopping centre satisfaction (Josiam et al., 2005). Experiential retailing makes connections with consumers who visit stores to interact, not merely to buy merchandise (Kim et al., 2007). This strategy applies a holistic approach to consumption that (1) uses emotional, as well as rational, triggers to stimulate buying; (2) focuses on what customers want out of the retail

experience; and (3) strives to engage customers with more than raw product. Thus, shopping involvement is tied to retail patronage.

(Mathew et al., 2008) found that Unorganized retailers in the vicinity of organized retailers experienced decline in their volume of business and profit in the initial years after the entry of large organized retailers and overall consumer spending has increased with the entry of the organized retail.

III. OBJECTIVES AND HYPOTHESIS

Objectives

- To analyze buyers' preferences for organized and unorganized apparel retail stores
- To compare buyers' preferences for organized and unorganized apparel retail stores.
- To know store attributes influence on buyers preferences for choosing organized and unorganized apparel store.

Hypothesis

Available literature deals with various attributes like retail stores brand image, proximity, parking space, store ambience, product assortment. Such attributes have been a key influencer in buyer's preferences for any retail stores. Therefore the present study also attempts to know their roles in buyer's preferences for apparel retail stores.

Following hypotheses stated for the study and tested at 5% level of significance.

H1 Buyers preference is significantly dependent on apparels' quality at organized and unorganized apparel store.

H2 Buyers preference is significantly dependent on stores brand image of organized and unorganized apparel store.

H3 Buyers preference is significantly dependent on apparels' buying convenience at organized and unorganized apparel store.

H4 Buyers preference is significantly dependent on apparels' colours choice at organized and unorganized apparel store.

H5 Buyers preference is significantly dependent on apparels' styles and trends at organized and unorganized apparel store.

H6 Buyers preference is significantly dependent on apparels' multiple collection at organized and unorganized apparel store.

H7 Buyers preference is significantly dependent on stores parking space available at organized and unorganized apparel store.

H8 Buyers preference is significantly dependent on stores ambience in organized and unorganized apparel store.

H9 Buyers preference is significantly dependent on offered promotional schemes and discounts at organized and unorganized apparel store.

H10 Buyers preference is significantly dependent on multi brand availability at organized and unorganized apparel store.

H11 Buyers preference is significantly dependent on stores social image of organized and unorganized apparel store.

H12 Buyers preference is significantly dependent on stores proximity for organized and unorganized apparel store.

H13 Buyers preference is significantly dependent on apparels reasonable price at organized and unorganized apparel store.

H14 Buyers preference is significantly dependent on apparels perceived value for money at organized and unorganized apparel store.

H15 Buyers preference is significantly dependent on apparels care instructions received at organized and unorganized apparel store.

H16 Buyers preference is significantly dependent on apparels one stop purchasing facility provided at organized and unorganized apparel store.

H17 Buyers preference is significantly dependent on food court & kids play area facility at organized and unorganized apparel store.

H18 Buyers preference is significantly dependent on apparels display & presentation at organized and unorganized apparel store.

H19 Buyers preference is significantly dependent on employees' product knowledge & behavior at organized and unorganized apparel store.

H20 Buyers preference is significantly dependent on Trial room availability at organized and unorganized apparel store.

IV. METHODOLOGY

The Study: The study is descriptive in nature, intended to find out buyers' preferences for organized & unorganized apparel retail stores.

Sampling method

Non probabilistic convenience Judgmental sampling method used for data collection

Sampling unit

Apparel buyers who visit organized, exclusive and unorganized apparel retail stores in Indore city, Madhyapradesh, India.

Sample size - 100

Data Collection

Secondary sources of information provided the base for extracting the items of questionnaire. Primary data collected through self-structured questionnaire. The questionnaire was self-administrated, though the respondents were able to interact personally. For each statement of the questionnaire the respondent were asked to indicate their preferences on 5-point likert scale. Score of 5-points was given for the answer strongly agree, 4- points for agree, 3- points for neutral, 2- points for disagree, 1- points for strongly disagree.

Tools for data analysis:

Mean Standard deviation and one way ANOVA were used as statistical tools for data analysis.

V. RESULTS AND ANALYSIS

Please refer Table 1 for Demographic Profile of Respondents. Table 2 exhibit that 39% of the respondents prefer organized stores, 24% prefer Exclusive stores and 37% prefer Unorganized stores for apparel buying.

Levene's test for homogeneity of variances was used for checking assumptions of ANOVA. No significant differences found at 5% level of significance, so ANOVA has been used for further analysis and testing of hypotheses.

Store wise significant differences in buyers' preferences observed in the study for attributes such as availability of branded apparels, promotional schemes, discount offers on apparels, price perception of apparels, value for money, knowledge and behavior of employees and for trial room facility required by the visitors of apparel retail stores. Store wise variances for these attributes were significant at 5% level of significance, thus hypotheses H2, H9, H13, H14, H19 and H20 were not rejected (Table 4).

Store wise mean and standard deviation (Table 3) for the attributes considered in the study provided more clear insight for the further analysis and discussion. It was observed that irrespective of apparel retail store format quality of apparel was rated as most important attributes by the buyers'. However, visitors of exclusive stores were seems to be over optimistic for quality, the reason could be their trust on exclusive brands.

Visitors of exclusive brand and organized retail stores were highly influenced by branded apparels. Brand loyal buyers prefer to buy apparels from exclusive stores. Apparel buyers who make comparisons among different brands prefer to buy apparels from organized stores, as different brands of apparel are available in organized apparel stores and brand indifference buyers prefer to buy apparels from unorganized stores.

It was found in the study that apparel buyers at unorganized stores feels highest comfort level while purchasing apparels. The reason for more comfort at unorganized stores could be the delivery of personalize and customized services. Similarly buyers at unorganized stores finds more color variety available to choose from.

Availability of parking facility found to be equally important by visitors of exclusive and organized apparel stores, where as it is a matter of less concerned for visitors of unorganized stores. Similarly good ambience at organized and exclusive stores plays an important role in influencing the visiting and buying decision of apparel buyers. Findings indicate that the parking facility available at particular store and its ambience is already known to visitors, so visitors plan accordingly to visit a particular store.

Promotional schemes and discount offers are perceived significantly differently by apparel buyers of different store formats. The respondent go to unorganized stores prefer discounts and schemes but the respondent who choose to go to organized & exclusive stores are neutral about promotional schemes & discounts. The reason for difference in perception might be due to well awareness of discounts and schemes offered by organized & exclusive stores due to advertisements, whereas discounts and schemes are less transparent and to be negotiated at unorganized stores.

Visitors of exclusive and organized stores were agreed to relatively higher degree that social image plays an important role for selecting an apparel store for buying apparels. It was also found that proximity from their residence influences buyers to buy apparel from unorganized stores.

Apparel buyers at unorganized store thought that their purchased products were available at economic price and they have derived maximum value for their money by making purchase at unorganized stores, whereas buyers at organized and exclusive stores have shown indifference of economic price preference and for deriving value for money.

It was also found that buyers prefer to visit exclusive stores or unorganized stores as they found variety and ranges of apparels and select as one stop shop for apparel purchasing. Similarly availability of food courts and play area influences the buyers to visit unorganized & organized stores.

The study also revealed that buyers at unorganized stores are highly influenced by display and presentation of cloths and it helps them in making purchasing decision. Buyers at Organized and exclusive stores were also agreed to limited extent that display and presentation of apparels at stores helps them in making purchasing decision.

Store wise significant difference observed that employees' behavior and their knowledge about the apparel and that availability of trial room influences buyers purchasing decision. Buyers at unorganized stores give very much emphasis to employee's behavior and their knowledge about the apparel and it was also found to be an important decision consideration by the buyers' at organized stores. However, buyers at exclusive stores not give much emphasis to employee's knowledge about the apparel and their behavior. The reason could be that buyers' at exclusive stores are brand driven purchasers; they give more importance to the brand than behavior or knowledge of employees working over there.

VI. CONCLUSION

Findings of the study revealed that buyers at organized and unorganized apparel retail stores have their own peculiar characteristics and decision preferences. Comparison between organized and unorganized retail stores revealed that buyers prefer unorganized stores for apparel purchasing due to proximity of stores from their residence, for perceived economic price and for deriving maximum value for their money. Display and presentation of apparels and employees behavior and knowledge also greatly influence the buyers to buy from unorganized stores. Buyers prefer organized stores for apparel purchasing to avail an opportunity of making comparison among different brands, for making purchase in good ambience and social image of organized stores also influences to a great extent for making apparel purchase from organized stores. Buyers prefer exclusive stores mainly due to brand name. Social image and one stop shopping for variety of apparel also influences the buyers to purchase from organized stores. However, quality of apparel found to be most important attributes for apparel purchasing irrespective of organized and unorganized apparel retail stores.

VII. REFERENCES

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TABLES**Table 1 : Demographic Profile of Respondents**

Characteristics		Frequency
Gender	Male	46
	Female	54
Income (in Rs.)	<10000	7
	10000-20000	12
	20000-30000	33
	>30000	48
Occupation		
	Self Employed	21
	Govt. Employee	10
	Pvt employee	32
	Others(Unemployed+students)	37
Education		
	Higher Sec	13
	Grad.	32
	Post Grad	55
Age (Yrs)		
	<20	19
	20-30	32
	30-40	24
	40-50	15
	>50	10

Table 2 Profiling of respondents as per their apparel store choice



Organized store	Exclusive (organized) store	Unorganized
39	24	37

Table 3 - Store wise Mean and Standard Deviation for Various Attributes

Attributes	Type of Store	Mean	Std. Deviation
Quality is an important factor in apparel purchasing.	Organised	4.25	1.21
	Exclusive	3.79	1.58
	Unorganised	4.43	0.86
Brand name influences my apparel purchase decision.	Organised	3.92	1.13
	Exclusive	3.95	1.52
	Unorganised	3.19	1.39
Comfort is a measure for me while selecting an outfit.	Organised	3.84	1.44
	Exclusive	3.71	1.52
	Unorganised	4.18	1.076
Colors attract me when I purchase apparel.	Organised	3.79	1.39
	Exclusive	3.87	1.51
	Unorganised	4.08	1.23
Current trends and fashion affects my purchasing decisions.	Organised	3.69	1.38
	Exclusive	3.71	1.57
	Unorganised	3.73	1.46
Complete collection of apparels is an important factor to me for selecting the store.	Organised	3.79	1.19
	Exclusive	3.87	1.07
	Unorganised	3.62	1.29
Parking space is a major parameter to select the store for apparel purchase.	Organised	3.23	1.24
	Exclusive	3.25	1.51
	Unorganised	3.16	1.64
Good ambience is an essential feature in any apparel store.	Organised	3.58	1.01
	Exclusive	3.29	1.3
	Unorganised	3.32	1.29
Promotional schemes/discount on apparels influences my purchase decisions	Organised	3.15	1.26
	Exclusive	2.54	1.61
	Unorganised	3.94	1.2
Availability of many apparel brands at one place provides ease in comparison.	Organised	3.53	1.21
	Exclusive	3.79	1.38
	Unorganised	3.54	1.36
Social image plays an important role for selecting an apparel store.	Organised	3.61	1.18
	Exclusive	3.71	1.3
	Unorganised	3.32	1.37
Proximity to an outlet from my residence affects my purchase destination.	Organised	3.35	1.38
	Exclusive	3.16	1.43
	Unorganised	3.78	1.18
Availability of products at economic price influences my outlet choice.	Organised	3.18	1.02
	Exclusive	3.12	1.45
	Unorganised	4.16	1.09
I consider value for money while purchasing any apparel.	Organised	3.43	1.37
	Exclusive	2.79	1.53
	Unorganised	4.16	1.32
Care instruction given for handling apparels influences my purchase.	Organised	3.2	1.3
	Exclusive	2.91	1.66
	Unorganised	3.73	1.04
I prefer store because it is a one stop shop for apparel purchasing.	Organised	3.23	1.22
	Exclusive	3.5	1.56
	Unorganised	3.48	1.28
I prefer the apparel stores, where Food court and play area are available nearby	Organised	3.41	1.23
	Exclusive	3.12	1.62
	Unorganised	3.46	1.42
Display and presentation of cloths in apparel stores affects my purchasing.	Organised	3.35	1.15
	Exclusive	3.33	1.49
	Unorganised	3.73	1.28
Store employees' behavior and knowledge about the apparel influences purchase.	Organised	3.58	1.04
	Exclusive	2.91	1.44
	Unorganised	3.86	1.27
Trial room facilities at apparel stores affect my visit decision.	Organised	3.48	1.39
	Exclusive	2.7	1.65
	Unorganised	4.27	1.26

Table 4 Store wise Analysis of Variance of consumer's perception towards apparel store attributes						
Attributes		Sum of Squares	Df	Mean Square	F	Sig.
Quality	Between Groups	6.115	2	3.057	2.111	0.127
	Within Groups	140.475	97	1.448		
	Total	146.59	99			
Brand	Between Groups	13.037	2	6.518	3.689	0.029
	Within Groups	171.403	97	1.767		
	Total	184.44	99			
comfort	Between Groups	3.929	2	1.965	1.097	0.338
	Within Groups	173.711	97	1.791		
	Total	177.64	99			
Color	Between Groups	1.619	2	0.81	0.432	0.65
	Within Groups	181.741	97	1.874		
	Total	183.36	99			
Trend	Between Groups	0.027	2	0.013	0.006	0.994
	Within Groups	206.563	97	2.13		
	Total	206.59	99			
Colln	Between Groups	1.063	2	0.532	0.364	0.696
	Within Groups	141.687	97	1.461		
	Total	142.75	99			
parking	Between Groups	0.14	2	0.07	0.033	0.968
	Within Groups	208.45	97	2.149		
	Total	208.59	99			
ambience	Between Groups	1.858	2	0.929	0.651	0.524
	Within Groups	138.502	97	1.428		
	Total	140.36	99			
Scheme	Between Groups	30.073	2	15.036	8.434	0.001
	Within Groups	172.927	97	1.783		
	Total	203	99			
Availability	Between Groups	1.903	2	0.951	0.553	0.577
	Within Groups	166.737	97	1.719		
	Total	168.64	99			
Image	Between Groups	2.613	2	1.306	0.791	0.457
	Within Groups	160.297	97	1.653		
	Total	162.91	99			
Proxy	Between Groups	6.332	2	3.166	1.8	0.171
	Within Groups	170.578	97	1.759		
	Total	176.91	99			
Price	Between Groups	23.514	2	11.757	8.679	0.001
	Within Groups	131.396	97	1.355		
	Total	154.91	99			
Value	Between Groups	28.175	2	14.087	7.246	0.001
	Within Groups	188.575	97	1.944		
	Total	216.75	99			
Care	Between Groups	10.62	2	5.31	3.075	0.051
	Within Groups	167.49	97	1.727		
	Total	178.11	99			
onestop	Between Groups	1.624	2	0.812	0.457	0.634
	Within Groups	172.166	97	1.775		
	Total	173.79	99			
Food	Between Groups	2.858	2	1.429	0.725	0.487
	Within Groups	191.142	97	1.971		
	Total	194	99			
Display	Between Groups	3.385	2	1.693	1.016	0.366
	Within Groups	161.605	97	1.666		
	Total	164.99	99			
Behavior	Between Groups	13.316	2	6.658	4.376	0.015
	Within Groups	147.594	97	1.522		
	Total	160.91	99			
Trial	Between Groups	36.191	2	18.095	9.048	0.001
	Within Groups	193.999	97	2		
	Total	230.19	99			

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