Female Consumers – Factors Influencing the Retail Format Choice

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ABSTRACT

Female markets contribute an estimated $20 trillion in annual consumer spending worldwide. It is observed that with more women earning higher-education degrees than men and starting new businesses at a faster rate, women's earning power is growing faster than men's. In this scenario, there is an increasing need to identifying the requirements and needs of the female consumers as a separate segment for tapping the vast potential underlying the female markets. The present study aims to understand the female consumer spending patterns and the factors influencing the retail format choice.

Key words: Female consumers, retail choice, factor analysis, female retail patronage, consumer behaviour

Introduction

Researchers have pointed out that companies are missing out on the lucrative female market because they still think women will buy any gadget as long as it's pink. The Boston Consulting Group emphasis the need to focus on the female consumer markets and reports that female markets contribute an estimated $20 trillion in annual consumer spending worldwide. It is observed that with more women earning higher-education degrees than men and starting new businesses at a faster rate, women's earning power is growing faster than men's. The evidence that women now make up more than half of Twitter users and Facebook subscribers points the need to address the markets in a planned way. . These facts, emphasize the need for marketers to concentrate on the largely ignored female consumer markets.

Need of the study

The marketing environments today have transformed to increasingly dynamic, vibrant and competitive with the customers being smarter, informed and bestowed with numerous product choices. These changes make it imperative for the marketer to aim for a comprehensive appreciation of consumer needs in the wake of increasingly saturated markets and severe competition. The organization's success in the markets depends on offering differentiation among the brands and on sustaining long-term relationships with stakeholders. The chances of achieving objectives and goals are greater when a company has an effective marketing strategy in place. It is not far-fetched to suggest that marketing strategies are the blood line of any business and that a company's long-term goals are dependent on their efficacy. The opportunities for companies, which are willing to recalibrate how they understand the female consumer, lie in women's dissatisfaction. In this present scenario, this current study aims at understanding the factors that influence the female consumer retail format preferences.

Literature Review

Weatherhill (1986) stressed the different cultural and material values between men and women in the late seventeenth and early eighteenth centuries. She pointed out that the differences between men and women shown here are indicative of deeper differences in attitudes and behavior that are not well documented and are therefore "hidden from history."

Leszczyc and Timmermans (1997) reports on an empirical investigation of patronage behavior, store loyalty, and store switching for grocery shopping in Missouri, using scanner panel data. The results of the study indicate that there may be sociodemographic segments that differ in shopping behavior in several important ways. Double-earner households concentrate their shopping activity in time and space, are the most loyal, shop the least, and spend the most per trip. Single-earner households represent the heavy shopper segment and are least loyal.

Leela rani *et al* (2008) This study examined how consumers' attitude towards retail stores gets affected by situational, consumer, store and product characteristic variables when they face out- of- stock situations from a sample of 1,207 retail customers in India's unorganized retail sector across five product

categories in Varanasi, India. It was found that shopping attitude of respondent, store loyalty, perceived store prices, store distance, shopping frequency, and brand loyalty significantly influenced consumers' attitude towards retail store in out- of- stock

Methodology

The study is descriptive and exploratory in nature and based on the empirical survey using a structured questionnaire of 408 female respondents. Both primary and secondary sources of data were used in the study. The investigation covers sample randomly selected from different regions and female consumers of various demographics in and around twin cities of Hyderabad. Factor analysis was conducted to identify the various factors that influence the female consumer retail choice preferences.

Demographic profile of the respondents: Table 1. Presents the aggregate demographic profiles of age, educational qualification, occupation, income, marital status, family size and religion for the total of 408 respondents surveyed.

Table1: Demographic profile of the respondents

Demographic Variable	No. of Respondents	Percentage of respondents
Age		
15-20	265	64.95
21-35	113	27.69
36-50	26	6.37
51-65	4	0.98
Educational qualifications		
Secondary Education	1	0.24
Intermediate Education	10	2.4
Graduation	285	69.85
Post Graduation	78	19.11
Ph. D	32	7.84
Others	2	0.49
Occupation		
Student	329	80.63
Govt. Employee	7	1.71
Private Employee	44	10.78
Housewife	4	0.98
Professional	21	5.14
Business	1	0.24
Income Levels (in Rs.)		
< 5000	275	67.40
5000-20000	45	11.02
21000-40000	41	10.04
41000-60000	24	5.88
61000-100000	12	2.94
>100000	11	2.69
Marital Status		
Married	74	18.13
Unmarried	334	81.86
Family Size		
2 Members	31	7.59

3 Members	45	11.02
4 Members	217	53.18
5 Members	73	17.89
Above 5	42	10.29
Religion		
Hindu	362	88.72
Muslim	21	5.14
Christian	22	5.39
Others	3	0.73
Total	408	100

Source: Primary data

Retail Patronage Behaviour

Table 2 presents the type of the retail format visited by respondents.

Table 2: Type of retail format visited

Retail format / Frequency	Mostly	Sometimes	Rarely	Never
Neighbourhood stores	188	136	60	24
Super markets / Shopping malls	207	153	43	5
Specialty stores (eg: Jewellery, shoe shop, pharmacist, book stores, cloth stores etc.)	101	166	120	21
Online Shopping	51	149	160	48

Amount Spent on retail format per month

Table 3: Amount Spent on retail format per month:

Retail format/ Amount per month	< Rs.1,000	Rs.1000-Rs3,000	Rs. 3,000 -Rs.5, 000	Rs.5,000 - Rs. 10,000	>Rs.10,000	N/A
Neighbourhood stores	229	103	34	11	3	28
Super markets/ Shopping Malls	91	153	101	40	16	7
Specialty Stores	130	88	77	53	17	43
Online shopping	115	103	58	37	13	82

Source: Primary data
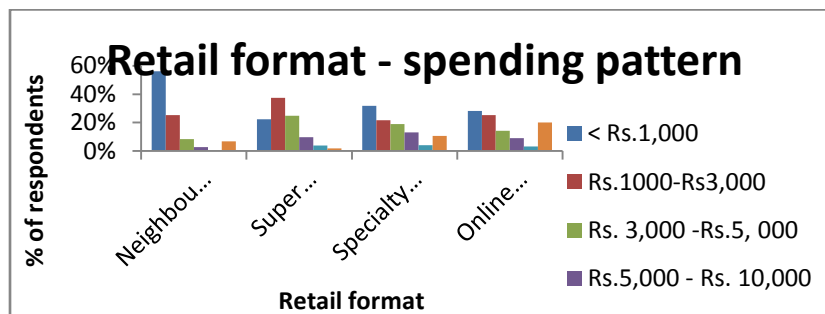
Payment method often used

Table 4: Payment method often used:

Retail format /Payment method	Cash	Debit / Credit Card	Internet Banking	N/A
Neighbourhood stores	362	32	1	13
Super markets/ Shopping Malls	228	167	8	5
Specialty Stores	240	126	16	26
Online shopping	124	158	77	49

Source: Primary data

The above table describes the payment methods used by the respondents for their shopping. It can be observed that 88.73% opt for cash payment for neighbourhood stores while 7.8% pay through debit/ credit card. When it comes for super markets / shopping malls 55.8% opt for cash payment, 40.9% through credit / debit card, 2% through internet banking. For specialty stores 58.82% opt for cash payment, 30.8% debit/ credit card, 3.92% through internet banking. For online shopping 38.73% pay through debit / credit card, 30.39% through cash, 18.87% through online banking and 12.01% said not applicable as they may not have shopped online till date.

Factors influencing retail outlet choice

Factor analysis was conducted to identify the factors influencing the retail outlet choice. The following tables explain the communalities of the factors, descriptive statistics, total variance explained, and various factors identified with rotate component matrix for factors influencing retail outlet choice.

Communalities

	Initial	Extraction
Fast Checkout	1.000	.506
Low price products	1.000	.532
Close to where you live	1.000	.553
Courteous friendly employees	1.000	.458
Availability of more variety of products	1.000	.600
Convenience of parking	1.000	.620
Convenient timings	1.000	.564
Reasonable prices	1.000	.654
Redemption of discount coupons /gift vouchers	1.000	.679
Special promotional offers	1.000	.723
Social media interaction with stores	1.000	.591
VIP benefits ie Lounges, refreshments etc	1.000	.637
Sales associates with deep knowledge of the product	1.000	.623
Inviting store ambience - pleasant music, colours etc	1.000	.558

Descriptive Statistics

	Mean	Std. Deviation	Analysis N
Fast Checkout	1.951	1.0338	408
Low price products	2.086	1.0585	408
Close to where you live	1.897	1.0033	408
Courteous friendly employees	2.110	1.0539	408
Availability of more variety of products	1.708	.9513	408
Convenience of parking	1.902	1.0303	408
Convenient timings	1.772	1.0059	408
Reasonable prices	1.578	.9133	408
Redemption of discount coupons /gift vouchers	2.081	1.1132	408
Special promotional offers	2.135	1.0945	408
Social media interaction with stores	2.446	1.1591	408
VIP benefits ie Lounges, refreshments etc	2.713	1.2177	408
Sales associates with deep knowledge of the product	2.132	1.1203	408
Inviting store ambience - pleasant music, colours etc	2.257	1.1454	408

Total Variance Explained:

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.670	33.355	33.355	4.670	33.355	33.355
2	1.485	10.605	43.960	1.485	10.605	43.960
3	1.103	7.879	51.839	1.103	7.879	51.839
4	1.040	7.427	59.266	1.040	7.427	59.266
5	.817	5.838	65.104			
6	.721	5.150	70.253			
7	.688	4.916	75.169			
8	.668	4.774	79.943			
9	.634	4.530	84.474			
10	.554	3.954	88.428			
11	.523	3.734	92.162			
12	.429	3.062	95.224			
13	.349	2.493	97.717			
14	.320	2.283	100.000			

Component Matrix[a]

	Component			
	1	2	3	4
Fast Checkout	.432	.330	.346	.302
Low price products	.463	.223	.144	.497
Close to where you live	.515	.454	.123	.260
Courteous friendly employees	.450	.446	.225	-.076
Availability of more variety of products	.641	.268	-.316	-.135
Convenience of parking	.614	.229	-.191	-.392
Convenient timings	.637	.207	-.150	-.305
Reasonable prices	.674	.071	-.438	.060
Redemption of discount coupons /gift vouchers	.631	-.344	-.193	.354
Special promotional offers	.644	-.398	-.306	.238
Social media interaction with stores	.585	-.497	.041	-.005
VIP benefits ie Lounges, refreshments etc	.535	-.424	.410	-.057
Sales associates with deep knowledge of the product	.614	-.146	.264	-.393
Inviting store ambience - pleasant music, colours etc	.579	-.160	.420	-.141

Extraction Method: Principal Component Analysis.[a]

a. 4 components extracted.

Rotated Component Matrix[a]

	Component			
	1	2	3	4
Fast Checkout				.684
Low price products				.665
Close to where you live				.677
Availability of more variety of products	.696			
Convenience of parking	.750			
Convenient timings	.689			
Reasonable prices	.579			
Redemption of discount coupons /gift vouchers		.764		
Special promotional offers		.794		
Social media interaction with stores			.541	
VIP benefits i.e. Lounges, refreshments etc			.743	
Sales associates with deep knowledge of the product			.677	
Inviting store ambience - pleasant music, colours etc			.679	

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.846
Bartlett's Test of Sphericity Approx. Chi-Square	1593.022
Df	91
Sig.	.000

Fourteen questions relating to factors influencing the retail outlet choice were factor analyzed. The analysis yielded four factors explaining a total of 59.266% of the variance for the entire set of variables. Factor 1 was labeled **Accessibility and availability** to prefer a retail outlet due to the high loadings by the following items: availability of more variety of products, convenience of parking, convenient timings and reasonable prices. This first factor explained 33.35% of the variance.

The second factor derived was labeled **Promotional offers**. This factor was labeled as such due to the high loadings by the following factors: Redemption of discount coupons /gift vouchers, special promotion offers. The variance explained by this factor was 10.605%. The third factor identified was **Customer connect.** The items in this factor are social media interaction with stores, VIP Benefits i.e. lounges, refreshments etc, sales associates with deep knowledge of the product, and inviting store ambience. This factor explained the variance of 7.879%.

The fourth factor derived was labeled **Convenience.** The items in this factor were fast checkout, low price products, close to where you live.

Kaiser-Meyer-Olkin measure of sampling adequacy varies between 0 and 1, and values closer to 1 are better. A value was 0.846 is measured for this data. For Factor Analysis to be recommended suitable, the Bartlett's Test of Sphericity must be less than 0.05. The overall significant of the correlation matrix was 0.000, which proves that the factor analysis was suitable.

Findings

1. Majority of the respondents were within the age group of 15-35 years and completed their graduation.
2. Majority of the respondents were students and unmarried.
3. Majority of the respondents are from a family size of 4 members.
4. 88% of the respondents were Hindus.
5. The mostly visited retail format was Shopping malls / super markets followed by neighbourhood stores and specialty stores.
6. Most of them pay by cash for neighbourhood stores and debit/ credit card for other formats of super markets, specialty stores and internet banking.
7. Four factors that influence female consumer retail choice were extracted from the factor analysis. They were Accessibility & availability, Promotional offers, Customer connect, and convenience.

Managerial Implications

From the above findings, it is understood that young female consumers chose their retail choice mostly on the basis of Accessibility & Availability followed by promotional offers, Customer connect and Convenience. The factors derived will be useful for the managers to segment and target the consumers based on their preferences. With the evolving tastes and preferences the consumer markets are becoming more complex. The above study indicates that different segments are emerging and the need to address the retail marketing strategies in order to satisfy the different segments is growing at faster rate.

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