

Antecedents and Measurement of Store Loyalty Behavior of Urban Shoppers in India

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Abstract

The study of consumer store choice or patronage behavior has been an important area of research in retailing for many decades. Store loyalty is the most initial variable of interest to retailers. This paper attempts to identify the dimensions of store loyalty with specific focus on its antecedents such as Trust, Value for Money and Satisfaction. The results of this study provide retailers with useful information about Indian customers' store loyalty determinants. Study results should be useful for retailers in Indian market when developing marketing strategies, when considering how they can best position their stores and which store loyalty determinants marketer needs to improve, in order to maintain customer loyalty.

Key Words: *Trust, Value for Money, Satisfaction, Store Choice, Indian Customer, Store Loyalty*

I. INTRODUCTION

The projection for the retail industry in India shows high growth potential on grounds of policy reforms, rising disposable incomes and booming consumerism, anticipated strong GDP growth and the introduction of latest technologies in the country. Foreign direct investment (FDI) in the multi-brand retail segment is expected to bring in big ticket investments and open up vast opportunities for consumers, the farmers and the industry. Domestic enterprises have already ventured in the field of multi-brand retailing in the past few years. Although the consumers have gained from these enterprises, concerns have been expressed by various quarters on the benefit to the farmers. This has been attributed to the Government's as well as the domestic players' failure to create the necessary back-end infrastructure which could ensure a seamless flow of goods from the farm gate to the end consumers. FDI in retail is now expected to change the scenario and create a win-win state of affairs for the enterprise, farmers, suppliers, consumers as well as the country's economy. It is likely to bring in adequate infrastructure creation, efficient management of the supply chain, controlled food inflation, better quality products and at the same time create abundant job opportunities directly as well as indirectly.

Even with a decelerating economic growth and a depreciating rupee, there was a stable growth in the retailing industry in 2013. Substantial effort to rein in rising prices resulted in single digit inflation and the value sales of independent grocers and other retailers received a strong thrust which helped ensure that all categories witnessed growth throughout the year. In addition, important factors driving retail growth in India included expanding urbanization, a greater diversity in new stores coming into the picture, and global brands entering the Indian market. Indian retail is dominated by astoundingly large number of small retailers consisting of local kirana shops, dairy shops, green grocers, hand carts; pavement vends etc. which together make up the unorganized retail or traditional retail. According to the global firms AC Nielsen and KSA Techno pack, India has the highest shop density in the world having about 14 million outlets. The value sales of these

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traditional stores accounted for more than 90% of the sales in the year 2011. The unorganized sector is expected to get bigger due to its proximity, goodwill, credit sales, bargaining, loose items, convenient timings and home delivery. Although the last few years has witnessed the entry of a number of organized retailers opening stores in various modern formats in metros and other important cities, the overall share of organized retailing in total retail business has continued to stay low. The retail market in India is one of the fastest growing markets in the world, with 1.2 billion people engaged directly and indirectly. The traditional grocery retail is not only the largest contributor to the total grocery retailing in India, it also accounts for nearly 10% of the total employment in the country. The retail market in India is one of the fastest growing markets in the world, with 1.2 billion people engaged directly and indirectly. In fact this became a major concern for the Indian government while deciding over the opening of FDI gates for India. The possibility of a monopolistic market, exploitation of farmers and loss of consumer base to global retail chains were other major areas of worry.

II. LITERATURE REVIEW

Business cannot survive in the long term without establishing a loyal customer following. Special issues of important journals such as *International Journal of Research in Marketing* (1997) and *Journal of the Academy of Marketing Science* (2000) have long been devoted to the subject of customer loyalty in addition to several scholarly papers, which points towards the rising interest in this field in the last two decades. But loyalty has remained somewhat of an enigma as a clear definition of what a loyal customer actually means is yet to emerge due to a very dynamic environment, and not much progress has been made in determining what factors lead to customer loyalty even though it is considered the life of business. Dick and Basu (1994) define loyalty as “the strength of the relationship between an individual’s relative attitude and repeat patronage.” Loyalty not only means repeat purchases, it also brings about an enhanced resistance to competitive messages, lower selling costs, a decrease in price sensitivity, and an increase in favorable word-of-mouth (Dick and Basu, 1994). In order to meet customer demands which may be diverse in nature, business organizations need to go for different types of loyalty building. While carrying out research for the SOK group, Sopanen (1996) found there are six different kinds of loyalty: Monopoly loyalty (which means there are no other choice available), Inertia loyalty (which means customers do not want to find out the substitutes actively), Convenience loyalty (which means loyalty is solely defined by location), Price loyalty (which means the low price of products influence customers), Incentivized loyalty (which means loyalty relates to the benefits gained from reward cards and programs), and Emotional loyalty (which means some particular factors influence customers such as brand). Oliver (1999) and Lindquist and Sirgy (2004) conceptualized a framework as per which loyalty should be developed in a sequence of “cognition-affect-conation-action” pattern which can be explained with the help of consumer behavior theories. Companies can ensure a consistent revenue stream and reduced expenses by way of acquiring loyal customers. It was found that a 5% improvement in customer retention leads to 25% to 75% increase in profits (Reichheld and Sasser, 1990). What is highly noteworthy is that a firm needs to spend more than five times as much to obtain a new customer than to retain an existing one (Wills, 2009). In addition, companies can boost profit margin with loyal customers. For instance, loyal customers are less price sensitive (Reichheld and Teal, 1996). Furthermore, loyal customers are likely to purchase more frequently, try the firms’ other products, and bring new customers to the firm (Reichheld and Sasser, 1990). Thus it is very apparent from the above that loyalty can be linked to the success and profitability of a firm (Eakuru and Mat, 2008).

There has been a transformation in consumer's preference and behavior. There is now a hitherto unheard urge to try both new products and new brands, noticeable in a sweeping preference of brand variety and novelty over brand loyalty. It is being witnessed in recent times that today's consumers have the desire to try out as many possibilities as they do not want to miss out on anything. Undoubtedly, this has negative effect on brand loyalty. Venkateswaran (2003) found that new brands, variety and non-satisfaction are foremost grounds for brand switching. Switchers are mainly influenced by brand name in buying decisions, followed by quality and price. Quality, promotion, store amenities and service are factors identified attributable to brand loyalty while price consciousness is still a driving force. Retailers today are facing increasingly tough competition and struggling to retain their existing customers and acquire new customers. Due to the availability of many options customers are switching to competitors if they are not satisfied. Better retail service induces customer satisfaction, which in turn results in customer loyalty, positive word of mouth, product repurchase and customer retention. In order to survive, the retailers are working on supply chain and operations efficiencies along with the critically important sales and marketing effort. Maintaining service quality and customer relationship management has become the most important challenge in Retail Marketing (Sathyapriya, Nagabhusana, Nanda, 2012). Verma and Verma (2013) suggest retail outlets should send cards on occasions such as birthday, anniversary, festivals etc. Customers will have the feeling of personalized concern about them as shown by the retail outlets. However, it is also very important that employees of retail outlets should be trained to handle customer complaints effectively and respond quickly. Most of the firms have started designing CRM strategies keeping in mind 80:20 Pareto principle, which says small proportion of customers give disproportionate amount of profitable business. Retailers are offering better retail services to these profitable customers who are loyal, regular and affluent. Some of the customers may not be directly contributing to the business to the extent other profitable customers are contributing, but they may be more influential by their word of mouth.

III. OBJECTIVES OF THE STUDY

The concept of store loyalty has received substantial attention from the academicians and the retail professionals since a bandwagon of loyal customers generate continuous revenues for the retailers. The contended loyal customers are likely to spread positive word of mouth which helps bring in additional customers. They are also likely to favor a particular store in their repeat purchase behavior across all product categories.

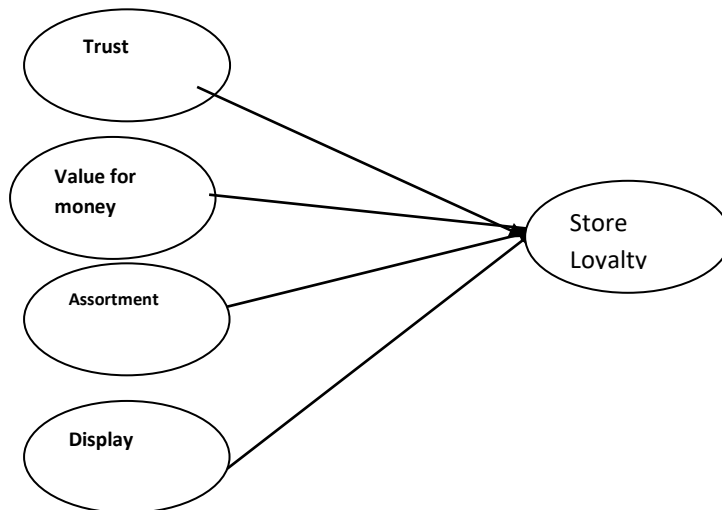
Keeping in mind the importance of Store Loyalty Behavior of customers both in the organized as well as the unorganized sector, the study aims at fulfilling the following objectives:

1. To develop scales for measuring store loyalty behavior and other relevant constructs
2. To establish reliability as well as validity of the scales employed in the study
3. To relate antecedents of store choice with store loyalty behavior of shoppers
4. To examine the perceived difference between store loyalty and other variables in the context of organized and unorganized stores
5. To integrate the above findings and suggest appropriate retail strategy for the benefit of retail practitioners

IV. HYPOTHESES

The dependent variable in the study is retail store loyalty of shoppers while the explanatory variables are store trust, value for money, assortment and proper display of items which reduces consumer search. These antecedents have been derived through focused group interview and reviewing past literature. The relationship can be presented in a diagrammatic form as shown in figure I.

Figure I



Trust of the store perceived by shoppers is expected to be positively related to store loyalty. Researchers in their retail study on different occasions have experienced that trust leads to satisfaction which in turn affects store loyalty positively (Delgado-Ballester and Munuera-Aleman 2001). Harris and Goode (2004), in their work have observed that trust be considered as an independent factor in influencing store loyalty behavior of shoppers. Hence it can be hypothesized that:

H₁: Perceived Trust of Shoppers is positively related to Store Loyalty

Werth (2004) inferred that prices may be regarded as indicator of value for money, especially when the product in question is either of minor importance for the shopper or he is unfamiliar with it. Also, the easy identification of quality and value for money aspects with respect to the store brands by rationalization would help the shoppers in sound decision making in buying the store brands with high levels of confidence (Kumar and Reddy, 2013). In view of this, it is expected that the shoppers' store loyalty is likely to be influenced by their notion about the intrinsic value which they expect to derive by putting their money at stake. IN line with this argument it may be hypothesized that:

H₂: Value for money and store loyalty are directly related to each other

On-shelf availability, i.e. providing items as desired by shoppers, is the key function of retailing that lies at the heart of retail which enhances the shoppers' confidence in terms of getting all the items under one roof thereby boosting their store loyalty (Helm and Stolzle, 2009). Therefore, the third hypothesis may be postulated as:

H₃: Higher the assortment, higher is the store loyalty

Retailers display extensive product lines and new variety of products in their stores keep differential prices as retail competition suggest that product heterogeneity is critical to retail price to gain competitive advantage over others by displaying a variety of products in an attractive fashion for benefit of their customers (Timothy and Stephen, 2006). Therefore a hypothesis may be framed as:

H₄: More attractive the display, better is the store loyalty

V. METHODOLOGY

The research intends to quantify the effectiveness of various store attributes and dimensions generating store loyalty, and covers both the organized and unorganized sectors. Thus, it is a comparative study and an attempt to understand behavior of shoppers with regard to these two sectors. The research also makes an attempt to describe the attitudinal behavior of the respondents for their respective purchasing patterns.

After identifying the relevant attributes and dimensions of store loyalty and purification of the measurement items, the data for the study were derived from shoppers belonging to a cross section of population using a convenience sample of respondents. This was done using a survey with the help of a structured questionnaire for shoppers. Owing to constraints of time and other resources, it was virtually impossible to adopt the random sampling technique. Instead the study covered a cross section of respondents based on a convenience sampling technique due to obvious reasons, the foremost amongst which is that the respondents in general are reluctant to provide response on lengthy multiple choice questionnaires. Other reasons include logistical constraints of deploying manpower in various cities and towns across India to contact the respondents and collect the data, monetary resources needed to persuade the respondents to cooperate, time constraint for collection of data, and so on.

The data were collected from the four metros, New Delhi, Mumbai, Kolkata and Chennai. In addition, some tier I, II and III cities belonging to various regions of the country were also included to make the study more representative and to lend it a pan-Indian character viz. Bangalore, Hyderabad, Pune, Ahmedabad, Bhubaneswar, Ranchi, Guwahati, Jodhpur, Siliguri, and Darjeeling. The study administered questionnaires to 1600 respondents across the various locations. Out of 454 responses obtained through internet, direct mail and personally questionnaire, 43 responses were rejected due to errors of omission and commission bringing down the total figure of valid responses to 411. In addition to meeting the respondents and directly administering the questionnaire either personally or through qualified representatives, it was also emailed to them. Further, in many cases the questionnaires have also been sent through post attaching stamped self-addressed envelopes. It took almost one year, the period beginning March 2013 to January 2014, to gather all the responses as in many cases reminders had to be sent to generate responses. 152 valid responses have been gathered though direct administration and the corresponding figures for email and post are 216 and 43 respectively. Scale items were developed from reviewing prior literature and were further refined by conducting reliability and validity tests frequently applied in marketing and psychometric research conducted in this area.

In addition to employing factor analysis, multiple regression and other parametric statistical tools were employed depending on the nature of the data. A brief description of the profile of respondents is given in table I.

TABLE –I**Demographic Profile of Sample Respondents**

Age Group:	Frequency	Percentages
Below 30 Years	59	14.4
31 to 40 Years	146	35.5
41 to 50 Years	139	33.8
Above 50 Years	67	16.3
Occupation:		
Executives	209	50.9
Non- Executives	106	25.8
Businessmen with:		
No of Employees 1 to65		15.8
No of Employees 10 +	31	7.5
Education:		
Below Graduate	04	01.0
Graduate	108	26.3
Post-Graduate	299	72.7
Net Income:		
Less than ` 30,000	61	14.8
` 30,001 to ` 60,000	87	21.2
` 60,001 to ` 90,000	74	18.0
` 90,001 to ` 1,20,000	116	28.0
` 1,20,001 to ` 1,50,000	57	13.9
` 1,50,0001 +	16	03.9
Gender (Chief Wage Earner):		
Male	370	90.0
Female	41	10.0
Marital Status:		
Married	357	86.9
Single	54	13.1

The data mainly have been collected from respondents belonging to A1A2 class of the social stratification scale as developed by Market Research Society of India (MRSI) which is mostly followed by the researchers doing research with different social classes in India particularly by the marketing research practitioners as well as academicians.

VI. RESULTS AND DISCUSSIONS:

In order to establish the scale validity, factor analysis with varimax rotation is employed and the five factors emerged as distinct (Table-II). In order to establish scale reliability cronbach alpha values have been computed and all the scales employed in our study exhibit quite higher degree of reliability ranging from .68 to .82 which are within acceptable range. It is to be noted that a confirmatory analysis is conducted to replicate the factor structure with forced five factor solution to avoid misloadings and split loadings as far as possible to establish scale dimensionality. The results of factor analysis are quite satisfactory considering the goodness of fit as revealed by the KMO and

Bartlett's Test (Table-III) and the scree plot (Figure-II). The percentage of variance explained is also satisfactorily high explaining more than 70% variation in the original variable (Table-IV).

TABLE-II
Rotated Component Matrix^a

	Component				
	1	2	3	4	5
TRUST1				.864	
TRUST2				.881	
TRUST3			.346	.695	.327
SLOYALTY1					.760
SLOYALTY2					.797
SLOYALTY3					.725
VALUE1	.346		.799		
VALUE2	.344		.833		
VALUE3		.343	.712	.314	
AVAIL1		.778			
AVAIL2		.845			
AVAIL3		.782			
DIS1	.767		.309		
DIS2	.867				
DIS3	.764				

Note: Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Forced Five Factor Solution

TABLE-III

KMO and Bartlett's Test

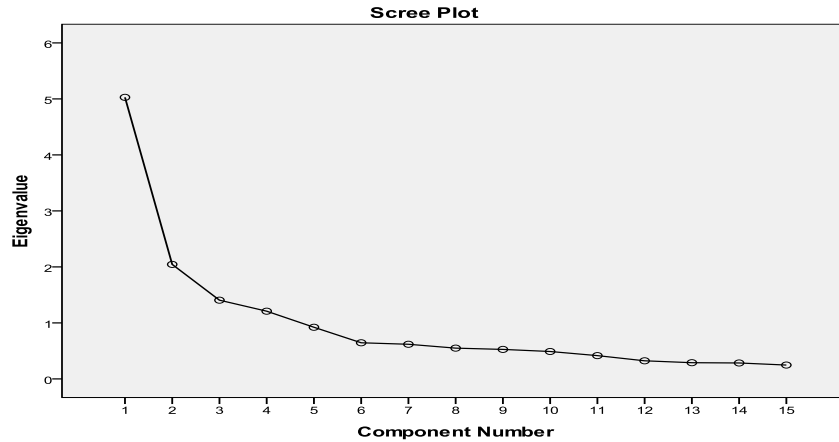
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.829
Bartlett's Test of Sphericity	Approx. Chi-Square	4885.109
	df	105
	Sig.	.000

TABLE-IV
Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.028	33.519	33.519	2.194	14.628	14.628
2	2.045	13.631	47.150	2.179	14.525	29.153
3	1.406	9.373	56.523	2.159	14.390	43.543
4	1.209	8.061	64.585	2.131	14.207	57.751
5	.922	6.148	70.732	1.947	12.982	70.732

Extraction Method: Principal Component Analysis.

Figure-II



The descriptive statistics for the five variables both for the organized and unorganized sectors are presented in Table V. The distribution of various constructs considered in our study have also been depicted for better understanding of the distribution pattern of respondents for the above-mentioned variables. The tables (V & VI) are self-explanatory and the differences of responses are tested with paired 't' Test to understand the discrepancies among the responses for the two categories of stores considered in our study

TABLE-V
Descriptive Statistics

		N	Mean	Std. Deviation	Std. Error	Minimum	Maximum
Organized Sector							
Trust of Org	0 - 30	59	12.39	2.150	.280	8	17
	31 - 40	146	12.78	2.405	.199	7	18
	41 - 50	139	13.05	2.269	.192	5	18
	51 +	67	13.09	2.598	.317	6	18
	Total	411	12.87	2.361	.116	5	18
Value for money	0 - 30	59	12.08	2.254	.293	7	18
	31 - 40	146	12.41	2.060	.170	7	17
	41 - 50	139	12.59	2.252	.191	7	18
	51 +	67	12.49	2.501	.306	8	17
	Total	411	12.44	2.227	.110	7	18
Availability	0 - 30	59	10.92	2.002	.261	7	16
	31 - 40	146	11.37	2.244	.186	6	17
	41 - 50	139	11.83	1.925	.163	7	17
	51 +	67	11.48	2.218	.271	7	17
	Total	411	11.48	2.116	.104	6	17
Display	0 - 30	59	11.22	2.925	.381	6	18
	31 - 40	146	11.20	2.615	.216	6	18
	41 - 50	139	11.62	2.989	.254	6	18
	51 +	67	11.87	2.443	.298	6	16
	Total	411	11.45	2.768	.137	6	18
Store Loyalty	0 - 30	59	14.24	2.438	.317	9	18
	31 - 40	146	14.37	2.188	.181	9	18
	41 - 50	139	14.93	1.955	.166	10	18
	51 +	67	14.46	2.312	.282	10	18
	Total	411	14.55	2.181	.108	9	18

Unorganized Sector							
Unorg. Trust	0 - 30	59	11.86	1.889	.246	8	17
	31 - 40	146	12.34	1.888	.156	7	18
	41 - 50	139	12.55	2.263	.192	5	18
	51 +	67	12.70	2.412	.295	7	17
	Total	411	12.40	2.119	.105	5	18
Unorg. VM	0 - 30	59	9.63	1.990	.259	7	14
	31 - 40	146	9.83	1.802	.149	7	14
	41 - 50	139	9.80	1.794	.152	7	14
	51 +	67	10.58	1.986	.243	7	18
	Total	411	9.91	1.876	.093	7	18
Unorg. Availability	0 - 30	59	10.58	2.143	.279	7	16
	31 - 40	146	10.58	2.252	.186	7	17
	41 - 50	139	10.50	1.980	.168	7	16
	51 +	67	11.00	2.139	.261	7	16
	Total	411	10.62	2.128	.105	7	17
Unorg. Display	0 - 30	59	9.10	1.626	.212	6	14
	31 - 40	146	9.60	1.795	.149	6	15
	41 - 50	139	9.35	1.735	.147	6	17
	51 +	67	9.39	1.517	.185	6	15
	Total	411	9.41	1.710	.084	6	17
Unorg. StoreLoy	0 - 30	59	13.47	1.994	.260	10	17
	31 - 40	146	13.36	2.107	.174	9	18
	41 - 50	139	13.39	2.430	.206	9	18
	51 +	67	13.25	2.338	.286	10	18
	Total	411	13.37	2.237	.110	9	18

The descriptive statistics, mainly depicting the distribution of income for various categories of dependent variables as well as explanatory variables for both the retail sectors, are presented in Table V. The trust towards the stores from where the respondents shop are more or less similar for both the sectors. One notable feature is that the perceived trust is marginally lower for the shoppers who are in the lower age category. One possible explanation is that these new generation consumers are more aggressive buyers and make and undertake an extensive search for brands that are priced at a reasonable level. The value for money differs considerably for all groups of buyers belonging to heterogeneous age categories. The general perception of consumers is that it makes sense to buy from organized retail to drive more utility compared to the price they pay. This is quite logical to expect since the organized retail try to generate loyalty by adopting various measures. Availability of assortment of products are found to be more in the organized sector simply due to the fact that their shelf-space is much higher than the small retailers who operate on a smaller scale. For the same reason, the display of merchandise is much attractive in large retail stores in the organized sector than their unorganized sector counterparts operating as small establishments. No significant dispersion is discerned between distribution of loyalty scores though it is observed that the younger generation are less loyal to the stores which may be attributed to the fact that they like to shop around in search of their desired items in other places due to greater mobility.

The results of the paired 't' test reveal that all the variables are significantly different based on the 't' Statistic. The perception of respondents vary significantly for all the variables under consideration. It can be inferred from the results of paired 't' Test that the two retail sectors are perceived as different on the five attributes being included in this study.

TABLE-VI
Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	S.D	SE Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Trust of Org - Unorg. Trust	.465	2.803	.138	.193	.737	3.361	410	.001
Pair 2	Value for money - Unorg. VM	2.526	2.469	.122	2.286	2.765	20.741	410	.000
Pair 3	Availability - Unorg. Availability	.861	2.705	.133	.599	1.124	6.456	410	.000
Pair 4	Display - Unorg. Display	2.044	3.005	.148	1.752	2.335	13.790	410	.000
Pair 5	Ambience - Unorg. Ambience	1.350	3.060	.151	1.054	1.647	8.946	410	.000
Pair 6	Satisfaction - Unorg. Satisfaction	.226	2.058	.101	.027	.426	2.229	410	.026
Pair 7	Store Loyalty - Unorg. StoreLoy	1.187	2.821	.139	.914	1.461	8.533	410	.000

The results of multiple regression have been presented in table VII to XII. The findings of the regression analysis amply demonstrates that that the goodness of fit measured by R^2 is quite satisfactory as the 'F' value is significant beyond $p < 0.000$. All the explanatory variables except value for money are highly significant. Trust, followed by Assortment, significantly influence the store loyalty construct. The collinearity statistic results are quite encouraging depicting almost insignificant correlation among the explanatory variables. It can be deduced that if there is no collinearity between x_i, x_j , variance influencing factor (VIF), which is expressed as $VIF = 1 / (1 - r_{ij}^2)$ will be 1. The collinearity diagnostics are very closer to 1.00 indicating absence of multi-collinearity. It may be stated that the inverse of the (VIF) is termed as tolerance. One may write $TOL_j = 1 / VIF_j = (1 - R_j^2)$. Fortunately, there is almost nil multi-collinearity in the data used for predicting the store loyalty behavior once we incorporate the store type, a dummy variable, where the organized store represents (1); 0: otherwise 0 (i.e. unorganized sector), the R^2 value improves marginally. One notable aspect which needs to be reported is that the display variable now becomes significant. The results of regression analysis incorporating the dummy variable designated as store type reduce the impact of value for money on store loyalty.

Since the data have been gathered both for the organized as well as the unorganized sector on the same set of variables, it is considered logical to categorize respondents into two groups based

on location, empathy, fast service and store loyalty using binary logistic regression. The first dependent variable is measured using dichotomous variable; 1 representing the organized sector and 0 representing the unorganized counterpart.

As we know in logistic regression, logit (p) is the log (to base e) of the odd ratio or livelihood ratio that the dependent variable is 1. Symbolically,

$$\text{Logit (p)} = \log [p/1-p] = \ln [p/1-p]$$

The normal relationship of the logistic regression is,

$$\text{Logit [p(x)]} = \log [p(x)/1-p(x)] = b_0 + b_1x_1 + b_2 x_2 + b_3 x_3 \dots\dots\dots$$

Instead of using a least square deviation criterion for the best fit, it uses a MLE method.

Although there is no close analogous statistic in logistic regression to R², the model summary (Table XIII) provides some approximations. Cox and Snail R² attempts to imitate multiple R² based on likelihood, but the maximum can be >1, making it difficult to interpret. The Nagelkerke modification ranges from 0 to 1 which is a measure of relationship. If H-L goodness of fit statistic is .05, one fails to reject the null hypothesis. H-L statistic has a significance of 0.839, which means it is not statistically significant, necessarily implying that the present model is a good fit.

TABLE-VII
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.468 ^a	.219	.215	2.02573

a. Predictors: (Constant), DIS, TRUST, AVAIL, VALUE

TABLE-VIII
ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	938.123	4	234.531	57.153	.000 ^a
	Residual	3352.632	817	4.104		
	Total	4290.754	821			

a. Predictors: (Constant), DIS, TRUST, AVAIL, VALUE

b. Dependent Variable: SLOYALTY

TABLE-IX
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
TRUST	.256	.033	.252	7.642	.000	.878	1.139
VALUE	.060	.034	.071	1.731	.084	.569	1.758
AVAIL	.218	.038	.207	5.735	.000	.736	1.359
DIS	.121	.030	.150	3.969	.000	.670	1.493

a. Dependent Variable: SLOYALTY

TABLE-X
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.476 ^a	.226	.222	2.01684

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.476 ^a	.226	.222	2.01684

a. Predictors: (Constant), STORETYPE, TRUST, AVAIL, DIS, VALUE

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
TRUST	.242	.034	.238	7.169	.000	.859	1.165
VALUE	.087	.036	.103	2.436	.015	.529	1.891
AVAIL	.217	.038	.206	5.732	.000	.736	1.359
DIS	.149	.032	.184	4.670	.000	.608	1.645
STORETYPE	-.477	.166	-.104	-2.868	.004	.717	1.396

a. Dependent Variable: SLOYALTY

**TABLE XI
Hosmer and Lemeshow Test**

Step	Chi-square	df	Sig.
1	4.193	8	.839

**TABLE XII
ANOVA^b**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	971.570	5	194.314	47.771	.000 ^a
Residual	3319.184	816	4.068		
Total	4290.754	821			

a. Predictors: (Constant), STORETYPE, TRUST, AVAIL, DIS, VALUE

b. Dependent Variable: SLOYALTY

TABLE XIII

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	530.370 ^a	.523	.698

Step	Chi-square	df	Sig.
1	4.193	8	.839

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	530.370 ^a	.523	.698

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.

**Table XIV
Classification Table^a**

	Observed	Predicted	
		STORETYPE	Percentage Correct

			0	1	
Step 1	STORE TYPE	0	357	54	86.9
		1	47	364	88.6
	Overall Percentage				87.7

a. The cut value is .500

The binary logistic regression (Table X) could predict more than 87 percent of group membership based on the four values which is higher by any standard. The Exp (B) reveals that empathy is considered to be the most important variable in influencing store patronage (Table XVI).

Table XV
Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
								Lower	Upper
Step 1 ^a	LOCATION(1)	1.592	.271	34.469	1	.000	4.912	2.887	8.357
	EMPATHY(1)	3.514	.235	223.688	1	.000	33.592	21.195	53.241
	FASTSERVICE(1)	1.881	.236	63.498	1	.000	6.558	4.129	10.415
	SLOYALTY	.228	.051	20.265	1	.000	1.256	1.137	1.386
	Constant	-6.905	.801	74.333	1	.000	.001		

a. Variable(s) entered on step 1: LOCATION, EMPATHY, FASTSERVICE, SLOYALTY (1) stands for organized sector

Managerial Implications

It is not worthwhile for a research if it does not put forth useful suggestions for practical applications. The findings from the study show that the five factor solution explains more than 70% of the variance in the consumer loyalty to retail store. Trust, in particular is the major influence of shoppers' loyalty to stores with the highest beta coefficient of 0.252. Value for money on the other hand has the lowest coefficient of 0.071, which does not influence the store loyalty significantly. In order to increase the chances of success it would be appropriate for retailers to target their marketing effort in providing greater value for money. The frequently run promotional offers with full page advertisements to lure shoppers towards their stores may be counterproductive in India where it is believed that the average Indian consumer is highly price-sensitive and looks for savings in term of money in his/her retail purchase (Sinha and Kar, 2007). Moreover, they are not gullible and can understand the basic objective of such campaigns. It can also be discerned that the buyers are more loyal to the unorganized retailers which is amply evident from the beta coefficient of -0.104. The beta values with regard to convenient location, empathy, fast service and loyalty reveals that organized sector is performing better than the organized sector. This jeopardized the interest of the small stores which individually cater to a small group of customers and do not have the advantage of economies of scale.

The findings of this study cannot be generalized because most of the data have been generated from the metros and large cities where the shopping patterns of consumers are substantially different from their counterparts residing in smaller cities and towns. The data mostly have been provided by the respondents from the upper-middle and upper social classes which represent a relatively small section of the population. People living at the bottom of the pyramid and B1B2, C and D categories of the population have a larger share of the total demand in the market. According to the various retail reports, 8% of the total market in India belongs to the organized retail sector and the remaining whopping 92% demand is catered by the small and medium retailers.

The major limitation of the study is that, this segment has not been proportionately addressed. Future studies should make a serious attempt to include shoppers belonging to different classes using suitable sampling procedure.

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