COLLIDING FACTORS OF PURCHASES AT RETAIL FURNITURE SHOWROOMS IN COIMBATORE CITY

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Abstract: The retail industry has seen a tremendous growth in the size and market dominance of larger players, with greater store size, increased retail concentration, and utilization of a range of formats. The retail outlets of furniture and other home appliances gained importance in the modern era of globalization and technology, hence taken into consideration. The present study highlights the importance of perception, preference and satisfaction of a consumer to the retail showroom. As a frontrunner in the in the economy, the retail outlets have to investigate the influencers and problems in accessing the purchase with them. Analyzing the above and investigating the consequence of influencers and problems in perception, preference and satisfaction level may lead to make appropriate policies for the development of the showrooms.

Keywords: Retail Industry, Retail Outlets and Retail Showroom.

1. INTRODUCTION AND PROBLEM DISCUSSION

Indian retail market is considered as the most successful emerging market for investment and the fifth largest retail destination globally. Modern retail has seen a significant growth in the past few years. In recent years, Indian corporate giants make more investments in food and grocery retailing, particularly in supermarkets, in order to capture the large potential of Indian retail which is so far unorganized. The Indian retail sector has gathered a new momentum with the establishment of different international brand outlets, hyper or super markets, shopping malls and departmental stores. In the developed economies, organized retail is in the range of 75-80 per cent of total retail, whereas in developing economies, the unorganized retail sector dominates the retail business. The Indian retail market was worth about $410 billion in 2009-10, registering only 5 percent of sales through organized retail and the chances are immense in India for organized retail. It is expected that this retail should continue to grow rapidly—up to more than $900 billion in 2020.

In today's competitive scenario business organizations in India are mostly worried about the future uncertainty. An increasing number of market planners are finding that growing complexity and environmental uncertainty are difficult to cope with. But there is no other alternative than to face this

situation. Organizations are continuously facing new equations in their operating environment in every direction. Complex competitive status, vulnerable demand forecast, varying consumer preferences, existence of too many brands, changing attitudes of channel intermediaries, shortening of product life cycle are all making marketing decisions extremely difficult and risky.

Increasing population, rapid urbanization, need to preserve forests, growing unemployment and similar causes provide the scope for steel furniture industry in India. The growth of small and medium sized units in steel furniture industry is at a very fast rate. But the growing competition and emergence of globalization raise a question of profit among the small units. The market orientation and marketing practices adopted by the units determine the scope of earning huge profit. The globalization of the Indian Economy has brought forward change in the Indian consumerism. Now consumers are well aware of the value of money strength and their economic purchasing power than their previous generations. The concept of product quality and service delivery which were not dominant earlier among consumers are now very much demanded. The success of a retail concern requires a deep understanding of shopper demographics.

The success of a retail concern requires a deep understanding of shopper demographics. A retailer must understand the relationship between age, income, occupation and gender of shoppers which change their buying habits. An in-depth and complete analysis of the changing behavior of shoppers is to be made. The basics of where, when and how often people visit different outlet types, and provides insights into key aspects of shopping behaviour are to be analyzed. Henceforth, the present research is made as an attempt to identify the answers for the following research questions.

- How far the various factors determine the consumers in their purchase decision making with regards to the retail furniture showroom?
- Whether the determining elements of the purchase have any impact on the perception, preference and level of satisfaction in purchasing from retail furniture showrooms?

2. OBJECTIVES OF THE STUDY

The objectives of the study are
- To investigate the factors determining the consumers' purchase decision in making purchase with the retail furniture showroom.
- To examine the impact of determining elements of the purchase towards the perception, preference and level of satisfaction in purchasing from retail furniture showrooms.

3. HYPOTHESES

Based on the above objectives, the present study attempts to test the following hypothesis;

- **H_{01}:** There are no consequences posed by influencers of retail furniture showroom purchases on the perception, preference and level of satisfaction of consumers.

4. RESEARCH DESIGN

4.1 Sample design

The population targeted for this study consisted of consumers of retail furniture showroom from the Coimbatore city. The samples have been chosen from the retail outlets in the five zones of the city. The sampling technique adopted for the study is convenience sampling since the sample respondents are selected on the basis of the accessibility. A sample size of 600 respondents is chosen based on Morgan table (384 samples are enough to represent the population of 1 million and as fractional count of 1.6 million population based on 2011 census, the current sample limit of 600 has been chosen opting 60 samples from each shop) and to whom the questionnaires were distributed. From the questionnaires received, 43 questionnaires aggregating the five zones were incomplete and henceforth the total respondents were restricted to 557.

4.2 Source of data

The study is analytical and is based on primary data. The data is gathered from the consumers of the retail furniture showroom as sample respondents through questionnaire method. The other data for the study as reviews and sundries are being collected and compiled from various websites, magazines, journals and theses.

5. ANALYSIS AND DISCUSSION

5.1 FACTORS DETERMINING THE PURCHASE AT THE RETAIL FURNITURE SHOWROOM
5.1.1 KAISER-MEYER-OLKIN (KMO) MEASURE OF SAMPLING ADEQUACY

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy has been used to gauge the appropriateness of factor analysis approach.

TABLE-1: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.703
Bartlett's Test of Sphericity	Approx. Chi-Square	6639.83
	df	556
	Sig.	.003

KMO Measure of Sampling Adequacy value is 0.703 which means that all the variables are positively correlated. Bartlett's test of Sphericity significance value is less than 0.05 and hence it is concluded that Factor Analysis can be performed for these variable.

5.1.2 COMMUNALITIES

Communalities of all variables are extracted by following the method of Principal Component Analysis. The Communalities of all variables are as follows.

TABLE-2: COMMUNALITIES

Factors	Initial	Extraction
Attractive Display	1.000	.632
Value for money	1.000	.625
Good brand name	1.000	.624
Availability of specific products	1.000	.620
Affordable price	1.000	.562
Trust worthy products	1.000	.610
Service of employees	1.000	.720
Extensive varieties of products	1.000	.794
Wide range of promotional offers	1.000	.668
Prolonged durability of products	1.000	.683
Enhanced Quality of furniture	1.000	.562
High level design/ style	1.000	.781
More brands	1.000	.796
Supplier characteristics	1.000	.693
Location	1.000	.622
Recreations	1.000	.710
Previous experience	1.000	.665

Extraction Method: Principal

TABLE-3: FACTORS LOADED

S. No	Variables Loaded	Name of Factors
First set of Factors	Good brand name	**Socio-economic factors**
	Affordable price	
	Trust worthy products	
	More brands	
	Location	
Second set of Factors	Attractive Display	**Quality factors**
	Value for money	
	Availability of specific products	
	Extensive varieties of products	
	Prolonged durability of products	
	Enhanced Quality of furniture	
	High level design/ style	
Third set of factors	Service of employees	**Service factors**
	Wide range of promotional offers	
	Supplier characteristics	
	Recreations	
	Previous experience	

Source: Calculated and compiled using Primary data

From the above table only those factor loadings which are greater than or equal to 0.5 are considered. It can be seen in the above table that five variables are loaded as First Factor and named as Socio-economic factors. On the Second Factor, seven variables are loaded. Based on their underlying

relationships, this Factor is named as Quality factors. On the Third Factor, five factors are loaded. This factor is named as Service factors. It represents that the socio-economic factors are the most influential factors determining the purchases of the consumers at the retail furniture showrooms.

5.2 CONSEQUENCES POSED BY INFLUENCERS OF RETAIL FURNITURE SHOWROOM PURCHASES ON THE PERCEPTION, PREFERENCE AND LEVEL OF SATISFACTION OF CONSUMERS

The impact posed by the factors of the purchase of furniture at retail showrooms on the perception, preference and level of satisfaction is being analyzed in the present section with the regression analysis. The section tends to identify the consequences caused by the independent variable (factors) on the dependent variable (perception, preference and level of satisfaction).

The following hypothesis can be used to test the present section of the analysis.

H_{09}: There are no consequences posed by influencers of retail furniture showroom purchases on the perception, preference and level of satisfaction of consumers.

5.2.1 IMPACT OF DETERMINING ELEMENTS ON THE PERCEPTION OF CONSUMERS ON RETAIL FURNITURE SHOWROOM

H_{01a}: There are no consequences posed by influencers of retail furniture showroom purchases on the perception of consumers.

TABLE-4: IMPACT OF DETERMINING ELEMENTS ON THE PERCEPTION OF CONSUMERS ON RETAIL FURNITURE SHOWROOM

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DETRMINANTS	5.191	8.201	-0.68	0.028
C	2.182	1.540	-3.82	0.063
R-Squared	0.633		Durbin-Watson stat	1.980
Adjusted R-squared	0.402			
F-statistic	10.658		Prob. (F-statistic)	0.000

Source: Calculated and compiled using primary data

The above table represents the multiple regression analysis over the impact of determining elements on the perception of consumers on retail furniture showroom in the Coimbatore city. It is quite evident from the table that R^2 value has been 0.633. It depicts that possible significance posed by the determining elements on the perception of consumers. Furthermore, the F value 10.658 and the p value of 0.000, which is significant

at 5 per cent level represents the rejection of null hypothesis, which certainly comprehends that there is a significant impact on determining elements on the perception of consumers.

5.2.2 IMPACT OF DETERMINING ELEMENTS ON THE PREFERENCE OF COSNUMERS ON RETAIL FURNITURE SHOWROOM

H$_{01b}$: There are no consequences posed by influencers of retail furniture showroom purchases on the preference of consumers.

TABLE-5: IMPACT OF DETERMINING ELEMENTS ON THE PREFERENCE OF COSNUMERS ON RETAIL FURNITURE SHOWROOM

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DETRMINANTS	1.986	8.335	-3.235	0.884
C	-5.664	0.990	-8.802	0.053
R-Squared	0.639		Durbin-Watson stat	1.911
Adjusted R-squared	0.693			
F-statistic	19.301		Prob. (F-statistic)	0.001

Source: Calculated and compiled using primary data

The above table represents the multiple regression analysis over the impact of determining elements on the preference of consumers on retail furniture showroom in the Coimbatore city. It is quite evident from the table that R^2 value has been 0.693. It depicts that possible significance posed by the determining elements on the preference of consumers. Furthermore, the F value 19.301 and the p value of 0.001, which is significant at 5 per cent level represents the rejection of null hypothesis, which certainly comprehends that there is a significant impact on determining elements on the preference of consumers.

5.2.3 IMPACT OF DETERMINING ELEMENTS ON THE LEVEL OF SATISFACTION OF COSNUMERS ON RETAIL FURNITURE SHOWROOM

H$_{01c}$: There are no consequences posed by influencers of retail furniture showroom purchases on the level of satisfaction of consumers.

TABLE-6: IMPACT OF DETERMINING ELEMENTS ON THE LEVEL OF SATISFACTION OF COSNUMERS ON RETAIL FURNITURE SHOWROOM

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DETRMINANTS	5.630	0.594	-6.324	0.657
C	4.205	0.800	-3.789	0.089
R-Squared	0.635		Durbin-Watson stat	2.659
Adjusted R-squared	0.565			
F-statistic	7.992		Prob. (F-statistic)	0.004

Source: Calculated and compiled using primary data

The above table represents the multiple regression analysis over the impact of determining elements on the level of satisfaction of consumers on retail furniture showroom in the Coimbatore city. It is quite evident from the table that R^2 value has been 0.565. It depicts that possible significance posed by the determining elements on the level of satisfaction of consumers. Furthermore, the F value 7.992 and the p value of 0.004, which is significant at 5 per cent level represents the rejection of null hypothesis, which certainly comprehends that there is a significant impact on determining elements on the level of satisfaction of consumers.

6.CONCLUSION

Indian retail furniture market has already passed through the initial phase of start up and the benefits of entering the phase of growth and consolidation are reflecting in the value creation of big retailers. Big furniture retailers have begun to exploit the synergies that exist through expansion and consolidation. Stress on internal strategic alignments, cost control, strategic penetration into deep pockets of urban as well as rural markets, mergers and acquisitions, niche marketing and many such strategies are aggressively followed by modem retailers to grab the market pie.

On the other hand, small furniture retailers across the country are awakening to the threat posed by big retailers. No doubt, the shops in the close vicinity of malls are affected to a great extent; overall business of small retailers across all market segments too is affected adversely. However, it is heartening to see that small retailers have taken up this threat as a challenge and opportunity to reshape their businesses. At many places, efforts are on to renovate the shops. improve the quality of services, expand product basket and personalized attention in order to keep loyal customer bank intact.

With steady growth of modem furniture retail in India, traditional retail is bound to be affected. Along with individual measures by small retailers, Indian Government too has to take its share of responsibility at macro level. Role of the Indian government is crucial at this juncture. Especially when

India is undergoing demographic transition phase, wavering by the government in clear policy formulation may directly jeopardize quality growth of this sector. Comprehensive policy document covering all aspects of retail as well as interests of all stakeholders will go a long way in healthy establishment and co existence of both arms of retail, organized and unorganized.

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