

EFFECTS OF RETAIL SHOP LAYOUT ON CONSUMER PURCHASING DECISIONS - WITH SPECIAL EMPHASIS ON SELECTED SUPERMARKETS IN BELAGAVI CITY

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Abstract: India's retail industry is expanding quite quickly. Indian consumers have been attracted in large numbers to retail outlets by the organized retail sector. Retailers continually provide new services to give customers a variety of purchasing options. It is yet unknown, nevertheless, whether or not customers may perceive newer service dimensions favorably. Retail shop architecture has a significant impact on consumer behavior and plays a key role in establishing the brand image. A well-planned store layout has a significant impact on customers' shopping experiences, purchasing decisions, and operational effectiveness. When a customer is unhappy with these components, he or she may go on to another store that provides these components more effectively. Through a thorough analysis of the literature, this article seeks to determine the relationship between retail store layout and consumer purchasing behavior. In order to make specific conclusions for subsequent studies in this area, the article also seeks to identify any research gaps for the topic under investigation.

Keywords: Supermarket, retail store layout, store image, and consumer buying behavior.

1. INTRODUCTION

Retailing is a commercial activity that enhances the worth of the goods and services offered to customers. There is a misconception regarding retailing that it just involves the sale of products in stores, but it also encompasses the sale of services (Levy Michael et. al. 2010). A retailer sells products to consumers and deals with a wide range of goods, including vehicles, clothing, food, movies, and other items. The final phase of the distribution process for goods and services is thought to be retailing (Berman Berry et. al. 2011). A retailer does a number of different tasks that are seen to be crucial in distribution and selling in addition to providing goods and services to customers. These activities include cross-docking, break-bulk, and product and service assortment, inventory management, and offering consumers with value-added services (Levy Michael et. al. 2010).

Retailers facilitate two-way communication between buyers and producers. Additionally, they assist small producers by transporting, processing, marketing, and executing client transactions. These factors influence the decision of producers to offer their products and services through retailers. Retail businesses might be independently owned, part of a chain, franchisee-operated, leased, or owned by customers (Berman Berry et. al. 2011).

Retail formats/retailer types

A retailer can be categorized as either a general merchandise or a food-oriented retailer (Berman Berry et. al. 2011). A company that sells food is referred to as a food retailer. General merchandise stores are characterized as retail establishments that carry a variety of commodities, including food, dry goods, clothing and accessories, furniture and home furnishings,

small wares, hardware, and clothing, Supermarkets, Supercenters, Warehouse Clubs, Combination Stores/Hypermarkets, and Convenience Stores are other subcategories of a food retailer.

Retailing in India

The retail market in India is expected to increase from an estimated US\$ 672 billion in 2017 to US\$ 1,200 billion in 2022, making it one of the fastest growing marketplaces in the world. The retail sector generated 950 billion dollars in revenue in 2018 and is projected to grow to 1.1 trillion dollars by 2022. (Report from the India Brand Equity Foundation, August 2022).

India's economy is based on retailing, which generates between 14 and 15 percent of the country's GDP (ASA & A Associates, 2012). With more than 35 million workers, the Indian retail industry is the second-largest employer after agriculture (Big Strategic Management Consultants, 2012). 90% of all retail outlets in India are owner-operated small shops, which dominate the country's traditional retail industry. Only 4% of India's retail stores were in modern forms in 2010, and those that were only present in bigger urban areas were supermarkets, hypermarkets, convenience stores, etc (ASA & A Associates, 2012).

2. LITERATURE REVIEW

Numerous investigations have looked into the descriptive and exploratory effects of retail store layout and design on consumer perception and behavior. Danovan & Rossiter (1982) discovered that store layout has an effect on consumers' purchasing decisions, particularly the retail environment. Additionally, they claimed that if retailers managed employee numbers and positively changed their behavior, an enticing environment would result. Although not exclusively for super/hyper market formats, the study was undertaken.

Ana Vukadin, Jean-François Lemoine, and Olivier Badot discovered that store ambiance and design may increase store apparent delineation, perceived value of the offering, customer satisfaction, and enhance store and product image in their research article titled Store artification and retail performance (March 2019). However, it can have no impact on the sales volume of the store.

Amalia, George Siomkos, and Eirini investigated that not all store characteristics had an impact on the different aspects of the shopping experience in their October 2017 paper, The effects of retail store characteristics on in-store leisure shopping experience. The most significant in-store factors that affected the shopping experience dimensions were determined to be product quality and in-store music. The layout of the store and the ambiance are two other significant store qualities that are apparent.

Prashant Vilas Chaudhary and Rahul Jadhav discovered in their study "Visual Merchandising in Retailing: Influencing Consumer Buying Behavior Toward Apparel with Specific Reference to Pune City in India" (May 2014) that visual merchandising techniques like signage, fittings, lighting, and space organization have a significant impact on consumer purchasing behavior.

In one of their research papers published in March 2013, **Paurav Shukla and Barry Babin** discovered a strong correlation between store ambiance and the utility of shopping, which ultimately results in store switching.

In his study On Store Design and Consumer Motivation: Spatial Control and Arousal in the Retail Context, **Thomas J.** (2012) discovered that a person's motivation can interact with environmental elements. In his research, he discovered that task-oriented consumers prefer shopping in larger establishments, but leisure-seeking consumers prefer an environment with high levels of excitement. These results showed that store managers can attract task-oriented customers by providing spacious surroundings and ambient store layout components, such as colorful illumination, for recreation-oriented shoppers.

Riteshkumar Dalwadi, Harischandra Singh Rathod, and Atul Patel discovered in their research paper titled "Key retail store attributes determining consumer's perception: An empirical study of consumers of retail store located in Belagavi (Karnataka)" (April 2010) that comfort and elegance in the store, which is ultimately created because of effective layout, significantly influence consumers and consumers have positive perception towards the store.

Research Gap

It is crucial for a retailer to consider opportunities in a cutthroat business environment where there is potential to inspire and please customers by creative and customer-focused business practices, which could ultimately lead to good shopping behavior represented by customers. Significantly, it has been discovered that there is a favorable association between store

layout and shopping behavior in the majority of past and present study. The majority of research, however, are conducted in relation to the retail environments of other nations and are specifically restricted to discount stores, grocery stores, and convenience stores; a thorough examination of supermarkets was not included in these studies. Other than this, very little research has been done to assess how store layout affects consumer purchasing behavior in relation to supermarkets and hypermarkets in the setting of India, particularly in the state of Karnataka. As far as the retail format of supermarkets and hypermarkets is concerned, this provides potential for this study in India. India is quickly becoming one of the world's largest retail markets, hence it is imperative to determine whether or not supermarket layout affects consumer purchasing decisions.

Objectives of the study

1. To identify the key elements of a retail store's layout, with an emphasis on supermarkets.
2. To determine whether customers have issues with various store settings while shopping in retail establishments, with an emphasis on supermarkets.
3. To find out if customers are satisfied with the level of service, they receive from retail establishments in terms of accessibility and general look.
4. To provide a solution to enhance retail store layout, with a special emphasis on Supermarkets.

3. RESEARCH METHODOLOGY

The exploratory and descriptive research designs were both utilized in this study. One cross-section was used in the research design. 214 Belagavi city residents with various demographic features were individually interviewed in-depth to gather primary data for qualitative exploratory research. Convenience sampling and judgmental sampling techniques were utilized in accordance with the nature of the study. Through the use of descriptive statistics and factor analysis, the survey data was investigated.

Demographic Characteristics of Respondents

Table - 01

Variable	Categories	Frequency (Total - 428)	Percentage (Total – 100)
Gender	Male	230	53.7
	Female	198	46.3
Age (InYears)	18-25	170	39.7
	26-35	180	42.1
	36-45	54	12.6
	Above 45	24	5.6
Education	Higher Secondary	14	3.3
	Graduate	110	25.7
	Post Graduate	276	64.5
	Doctorate	28	6.5
Occupation	Student	118	27.6
	Salaried Person	248	57.9
	Self Employed	36	8.4
	Housewife	21	5.1
	Retired	5	.9
Marital status	Married	228	53.3
	Unmarried	198	46.3
	Divorced	2	.5
Monthlyincome	Less Than 25000	168	39.3
	25000-50000	126	29.4
	50001-100000	78	18.2
	More Than 100000	56	13.1

Consumer Buying Behavior in Supermarket

Table - 02

Variables	Categories	Frequency (Total - 428)	Percentage (Total - 100)
Store visit in last 3 months	1	136	31.8
	2	86	20.1
	3	94	22.0
	4	38	8.9
	5	14	3.3
	More than 5	60	14.0
Preferred time for shopping	Weekdays Daytime	76	17.8
	Weekdays evening	90	21.0
	Weekend Daytime	126	29.4
	Weekend evening	80	18.7
	On special day only	56	13.1
Time spent in Supermarket	Less than 30 minutes	78	18.2
	30-60 minutes	200	46.7
	61-90 minutes	112	26.2
	More than 90 minutes	38	8.9
Spend more time in the store	Yes	188	43.9
	No	240	56.1
Like to interact with store employees	Yes	198	46.3
	No	230	53.7
Spend more money than planned	Yes	318	74.3
	No	110	25.7
Preference to supermarket for shopping	Yes	186	43.5
	No	241	56.5

Reason for choosing Supermarket:

03 Descriptive Statistics

03 Descriptive Statistics			
	N	Mean	Std. Deviation
reason for choosing store environment and design	428	2.08	.832
reason for choosing store quality of product	428	1.68	.798
reason for choosing store discount offered	428	1.87	.878
reason for choosing store location of store	428	1.97	.895
Valid N	428		

We can see from the data that customers most frequently choose to purchase at supermarkets for quality of products, which has the lowest mean value of 1.68, followed by store discounts, which have a mean value of 1.87. The store environment and design are the least preferred reason to purchase at a supermarket, with a mean score of 2.08.

Composition of Each Factor Identified in Factor Analysis

Factor	Items	Factor loadings	% of Variance
	The space inside the store is enough	.762	
	There is enough space between the racks to move around	.760	

Store design and merchandize arrangement	I am able to browse different product categories easily while moving between racks	.755	17.878
	The merchandise in the store is always Organized	.655	
	The rack height is appropriate	.650	
	There is sufficient aisle width in the store	.632	
	In-store displays are impressive	.588	
	The merchandize of related products are shelved together.	.581	
	The color scheme of store is appealing	.581	
	Price tags and other promotional messages are easily visible	.573	
	The store looks quite spacious as ceiling height is appropriate	.562	
	The ventilation of the store is good	.552	

Visibility	Digital signage makes shopping decisions quicker and helps me in merchandise searching	.740	14.157	
	The store uses digital signage	.713		
	The store has attractive display and signage.	.622		
	The customer service desk is easily visible and accessible	.621		
	The cloak room of the store is easily visible and accessible	.605		
	Displays in the store attract attention.	.605		
	The store seems calm as per the noise is concerned	.590		
	The entry and exit of the store give easy access to parking lots	.581		
	The location of cloak room makes my entry and exit from the store more convenient.	.568		
	The point of billing does not create hurdle in my shopping	.750		10.159
	The point of billing is easily visible and accessible	.730		
The area near point of billing is attractive and spacious	.674			
I am able to find point of billing and exit without much effort	.631			
There is no congestion at point of entry and point of exit.	.582			
Store Facilities	The number of entry and exit gates are enough in the store	.696	9.800	
	The store has enough escalators and are easy to be located	.677		
	The store I visit has enough elevators and they are easy to be located	.673		

	The location of entry does not create congestion for exit and vice-versa	.617	
	When I enter the store, the front promotional displays create more interest for shopping	.555	
Signage	The signage is attractive and its size is generally appropriate	.796	8.984
	There is enough signage in the store for information display	.793	
	There is adequate display of in-store information	.651	
	The signage in the store is easily visible and guided me correctly	.600	
Store space	The store seemed very crowded to me	.842	6.407
	There is always much congestion in the store during my shopping time.	.822	

With three variables, the first factor explains 17.87% of the variance in the common core. The availability of space, how the goods are displayed, and the store's aesthetics are all measured by these three factors. The term "Store Design" was thus given to this component. As mentioned in component I, customers' impressions of the store's layout are influenced by a variety of perceptions, including "The space inside the store," "space between the racks," and "Organized Merchandise and Rack height." These perceptions are also given greater weight.

Consisting of nine variables, the second component accounts for 14.15 percent of variance. All nine factors assess the visibility of various displays and signage. This factor's name is "Visibility" as a result. Factor II includes many perceptions, such as "The store has appealing display and signage," "The customer service desk and cloakroom are easily visible and accessible," and "Digital signage makes purchasing decisions quicker and aids in goods finding.

- Consisting of five variables, the third component accounts for 10.15 percent of variance. The services related to the point of billing at the stores are measured by these five variables. This factor was given the label "Point of Billing" as a result. As noted in factor III, consumers' behaviors for Point of Billing include: "The point of billing does not present a challenge in shopping," "The point of billing is clearly marked and accessible," "The area nearby is lovely and roomy," and "There is no congestion at the point of entry and point of exit." The store needs to take action to provide an efficient charging system and clear access and exit points. Some studies also suggested that customers are having positive impact on perception if billing system is free of hurdle.

With five variables, the fourth factor explains 9.80% of the variance in the common core. These five factors address the escalator and entry/exit facilities that the stores offer. This element was given the term "Store Facilities" as a result. The result in table 2 shows that factor IV, which includes perceptions such as "The number of entry and exit gates are enough in the store," "The store has enough escalators & elevators and are easy to locate," and "The location of entry does not create congestion for exit and vice versa," has captured store facilities.

With only four variables, the fifth component can account for 8.98% of the variance in common core. These four factors evaluate the signage that the establishments offer. This factor was thus given the name "Signage." Numerous perceptions, such as "The signage is appealing and its size is generally acceptable," "There is enough signage in the store for information presentation," and others are reflected in factor I. With only two variables, the sixth factor accounts for 6.40 percent of the variance in common core. These two parameters evaluate. Therefore, this element was given the term "Store Space."

4. CONCLUSION

With particular reference to the supermarket in the city of Belagavi, the study attempted to assess the impact of shop layout. According to the study, customer preference for supermarkets is primarily influenced by product quality and price, with shop atmosphere and appearance coming in last. The factor study found six key factors, including store design and merchandise arrangement, visibility, point of billing, retail facilities, signage, and store size, that can affect customers' perceptions and happiness. While store design, merchandise placement, and visibility all have a substantial impact on customer happiness, they also have a huge impact on how customers perceive the store.

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