A STUDY ON INFLUENCE OF GEOGRAPHICAL DIFFERENCE ON GROCERY PURCHASE BEHAVIOUR

Mahua Datta*
Debraj Datta**

Abstract

India today is witnessing a plethora of activities in Retail. But the major concern for them is the diversity in the Indian consumer behaviour. A good number of studies on consumer choice of retail formats have been devoted to the consumer demographics. Studies have shown that certain demographic groups are associated with certain store formats and the store attributes like price competitiveness, product selection, and atmosphere are drivers of format choice. This paper focused on analysing the grocery purchase behaviour in order to find out the factors influencing the purchase of grocery and the extent of heterogeneity in the consumer perception towards these factors in rural, semi urban and urban market. The study was done at two levels in three catchment areas and the data were analysed by Factor Analysis and ANOVA which revealed Retail Purchase Factors (RPFs) that could influence grocery purchase behaviour.

***Keywords:** Grocery Purchase Behaviour; Retail Purchase Factors; Catchment Area; Consumer Perception*

Introduction

A buzzword of present day economy especially in India is Retailing, a service marketing of capacity and scope so huge as to be an industry in itself. No longer is retailing considered as just a part of process of distribution. "Retailing is the set of business activities that adds value to the products to consumers for their individual or household consumption" (Levy & Weitz, 2004). Often people think of retailing only in terms of physical retailing i.e. sale of products in stores. There is also a tendency to think of retailing as primarily including the sale of tangible goods. However it is essential to recognize that retailing also encompasses the sale of services. Retailing is not only about the physical distribution of goods. In addition to conducting their primary task, retailers are intermediaries who participate in producing cultural meanings through which consumers define their sense of self and make sense of the world around them (Douglas, 1976). Thus a retailer's main product to be sold can be service as well.

*Assistant Director, Student Development and Professor-Marketing, United World School of Business, Kolkata
BB-48/4, Sector-I, Salt Lake City, Kolkata-700 064
E-mail: datta.mahua@gmail.com
**Associate Dean and Associate Professor-Marketing, Globsyn Business School, Kolkata
BB-48/4, Sector-I, Salt Lake City, Kolkata-700 064
E-mail: debraj.datta@gmail.com

India has emerged as one of the largest emerging markets in the world today. Emerging markets are nations with social or business activity in the process of rapid growth and industrialization (Toovey, 2011). The Indian retail business sector is witnessing tremendous growth with the changing demographics and an increase in the quality of life of urban people. Indian Retail size today is US$ 400 billion and with rising consumer demand and greater disposable income, it is growing at an annual rate of 30%.

In Asia, India is the last economy to liberalize its retail sector. Countries like Thailand, China, Malaysia are doing much better than India. In Thailand, more than 40% of all consumer goods are sold through organised retail formats and this similar phenomenon has swept through Malaysia, Taiwan, Thailand and Indonesia. Even in China more than a tenth of all consumer goods are sold through modern retail formats and this percentage is growing (Khan and Azmi, 2005). India is however lagging far behind. There are nearly twelve million retail outlets in India and the number is growing but two thirds of these stores are in rural locations. Moreover most of these stores are traditional "mom and pop" or *Kirana* stores.

A dramatic shift is taking place in retail values that are being offered to the customers in India. Indian consumers are continually seeking new outlets and demanding more from those retailers that they choose to patronise. A major trend in retailing is increasingly diverse array of retail formats available to consumers. Owning to emergence of new retail formats competition between retailers is heightening. Changes in characteristics of the environment competition, the consumer, technology and the economy are driving the future of retailing. Consumers are more sophisticated shoppers than ever before. They have learnt how to shop, they plan their shopping trips in advance and they come to expect high levels of service and merchandise quality. This sophistication is much more than simple demographics, educational levels, professionalism and employment influencing their behaviour. It is a matter of fundamental shift and how they shop, with more knowledge and more awareness of their options. Indian retailers too face profound challenges when it comes to consumers. The Indian customer has evolved. He has more spending power, is better educated and most importantly, exposed to brands and products through television and foreign trips. The Consumers' need and aspirations are changing at rapid pace and so are their shopping and buying behaviour. In fact we are witnessing the emergence of a hybrid consumer. The traditional consumer initially overawed by the new look and used to equating glitzy with expensive, refrained from entering the store. But newer consumer segments, including upward mobile urban family, single earning women, liberated self-earning college goers and dual income couples are enthusiastically taking to the new concept. The challenge before Indian retailer is to build service levels to exceed customer expectation. Shopping is no longer an activity merely for acquisition of goods and services. It is performed for both utilitarian (functional or tangible) as well as hedonic (pleasurable or tangible) reasons. It gives the shoppers a unique pleasure and a sense of involvement.

Rural India has been one of the most neglected markets in Indian Retail sector. But today besides the urban market, India's rural market has become a viable option and companies who understand what the rural consumer wants will grow to incredible heights. This is more so because major part of Indian population till today lives in rural areas and to be able to cater specifically to them will mean generating tremendous amounts of business. According to the latest census of 2011, the growth rate of population for India in the last decade has been 17.64%. The growth rate of population in rural and urban areas has been 12.18% and 31.80% respectively. As per 2011 census our population stands at 1,210 million which is more than a sixth of the world population. India's rural retail market was expected to grow by 29% to 1.8 trillion rupees by 2010 because of rising incomes and changing consumption pattern. Rural per capita income was expected to double to 14,000 rupees by 2012 as more families are gradually switching to commercial from subsistence farming leading to an increased demand for a wider range of products. Corporates are increasingly eyeing rural areas as drivers of future growth (Reuters Report, 2007). As per recent studies the Fast Moving Consumer Goods (FMCG) sector in rural and semi-urban India is expected to cross US$ 20 billion mark by 2018 and reach US$ 100 billion by 2025. The rural retail is majorly of two forms viz. Haats and Melas. Haats are weekly markets which sell daily household items to a cluster of 10 to 50 villages whereas Melas are held only a few times with much larger catchment areas and offer more sophisticated and wider variety of products.

Literature Review

The retail sector has been globalised for several years now and there have been several academic researchers in this area. However, the research work has a short history and they all have been happening very recently (Burt et al., 2003; Helfferich et al, 1997). With expansion of the organized retail sector into the global markets various studies are been done on its dynamism and its trends in the recent times. However researchers today are highly concerned about describing the scale of expansion and the motivation behind such initiatives by the retail business houses (Akehurst & Alexander, 1995; Williams, 1992).

No country can be an exception to the above findings especially when countries with huge demographic, geographic, cultural, social and economic diversities like India are concerned. Every retailer planning to start retailing in India has to make a customized strategy for operations in India. Over the time India has proved itself to be a fantastic playground for retailers. However to succeed in such a diverse market, retailers should have a thorough understanding of the consumer shopping behaviour. A study of literature of marketing suggests that shopping process has been analyzed from different viewpoints by different researcher. Some have expressed their opinion of shopping as goal oriented and some have highlighted experiential shopping behaviour. The studies have been done in traditional setting as well (Babin et al, 1994). Shopping has been explained as "work" in situations where customers have high purchase intention. On

the other hand shopping has been characterized as "play" when customers purchase intention is low (Wolfinbarger&Gilly, 2001). This is further explained based on whether motivation is extrinsic or intrinsic (Bloch &Richins, 1983). Ackerman and Tellis (2001) in their study examined whether there are differences in consumer shopping behaviour and product prices in grocery stores due to cultural differences.

In India though retailing is relatively new, it is currently at a stage where customers are in look out for variety in products as well as retail formats. In India food retailing is the sunrise sector (Srivastava, 2008).In the present competitive scenario store patronage of the customers has become very important. There have been several studies which have identified most important store attributes responsible for retail patronage. Several researches have shown that the store image is an important store attribute of retail patronage (Clarkson *et al.*, 1996; Clarke et al., 1997; Wakefield & Baker, 1998; Erdem*et al.* 1999; Hernández&Bennison, 2000). Further it has been found out that location is also a very important factor of retail store choice (Kim and Jin 2001).

The Research Problem

In a country which is so geographically widespread and diverse in terms of culture and socio economic background, selling grocery through organised retail also needs an extensive research to study the purchase pattern of people in different parts of the country. This is more so because like any other developing nation here also the major retail purchases of consumers are in the food and grocery sector. Further in grocery segment the brand differences are also very less and grocery purchase being a convenience goods purchase, there could be some other factors as well apart from brand consciousness and quality consciousness which may have an impact on their purchase behaviour. However there are several factors on which the choice of store depends and they are affected by the location of the store as well. While brand choice is completely independent of any impact of differences in geography, the choice of a store is very much influenced by location (Fotheringham, 1988; Meyer & Eagle, 1982). Also every retail choice and purchase is a combination of many factors, which are not same across all the products and across all geography and demography. Store choice has also been found dependent on socio-economic background of consumers, their personality and past purchase experience (Dodge and Summer, 1969). The retail expectations may vary with geography and hence the brand preference and purchase pattern along with it.

So the hypothesis of the research problem is as follows:

H^1_0: For Grocery as retail product category, people of different geographic areas have same purchase behaviour.

H^1_A: For Grocery as retail product category, people of different geographic areas have different purchase behaviour.

The Research Objective

- The first part of the research investigates whether there exists any differences in the shoppers' behaviour across different geographies. It attempts to get an insight into the consumers' retail purchase behaviour of grocery and identify the elements, which have an effect on the grocery buying behaviour of customers.

- The study aims to initiate further studies in consumer purchase behaviour in retail which can provide some guidelines for the retailers in India as well as the global retailers aspiring for the vast business opportunities in India, keeping in mind the intrinsic differences in the people across the country in terms of culture, economic condition, purchase attitude and many more such factors and suggest a way out for effective marketing in global markets with local orientation.

Context of the study

The first part of the study has been carried out in three areas viz. urban metro city (Kolkata), suburb town (Barrackpur) and the district town (Lalgola). The city of Kolkata has been chosen because of its being a metro city and hence it was the biggest witness to the retail growth in West Bengal. The reason for the choice of the suburb town is its comparative nearness to the city geographically in spite of being geographically separate from the city. Barrackpore, being a suburb of Kolkata, may be highly influenced by the trends that are prevalent in Kolkata. This is because as a suburb of Kolkata, Barrackpore has a high percentage of people who travel to Kolkata on a daily basis for livelihood. As such the residents of Barrackpore are significantly exposed to the trends prevalent in Kolkata, and as such, questions may be raised on their differences. But the research attempts to find out whether the geographic nearness compared to the district town which is geographically far off from Kolkata gives rise to only similarities or there are differences as well. The district town chosen is geographically distant from both the city and the suburb town.

The Research Methodology

For the survey, the respondents have been chosen from three different geographic locations viz. Kolkata, Barrackpur and Lalgola. The survey has been conducted in two levels. In the first level, a sample of 90 respondents comprising 30 people each from Kolkata, Barrackpur and Lalgola have been chosen through simple random sampling to give response to 24 statements (refer Annexure I) on 5-itmesLikert Scale (1=Strongly disagree, 2 =Disagree, 3 = Can't Say, 4 = Agree and 5=Strongly agree) in order to find out the factors which have an impact on the retail purchase behaviour of grocery. Unlike a three point scale, the five point scale has been preferred because when respondents are provided with only five choice positions it tends to avoid responses converging on the middle response. Further, using a scale with more than five points tends to confuse respondents (Wright & Crimp, 2000).

In the second part of the analysis a sample of 100 people from each of the three geographical locations has been chosen. The respondents have also been chosen considering the age and gender factor. Equal weight age has been given for 5 age groups viz. 18-25, 25-35, 35-45, 45-60 and above 60. Regarding gender ratio, as per the Census Report, Government of India, 2001, following is the population break-up of the three areas chosen for study.

Table 1: Population Break-up of Chosen Area of Study

Population	Kolkata	Barrackpore	Lalgola
Male	2500040	81139	136801
Female	2072836	75908	130840
Total	4572876	157047	267641
Male: Female	1.21	1.07	1.05

The male-female ratio, as can be understood from the above table, is different from each other for different geographical areas and also fractional in nature thus making it difficult for the researcher to carry out further research on a relatively small sample size. Hence, for the sake of expediency it has been decided to choose male-female ratio of 1.5. This means 3:2 ratio of male and female has been chosen. The selection has been strictly made to conform to the pre-selected stratification according to gender and age group through stratified random sampling.

The Methods of Data Analysis

Factor analysis is a statistical tool that reduces a set of observable variables which might have some common overlaps into a smaller number of latent factors which are distinct from each other. This tool analysesthe relationships among a number of measurable variables. The factor analysis assumes that there are some unobserved variables among the observed ones which can be called factors which actually explained the correlation among some of the observed variables. For the first part of the analysis, Principal Component Analysis (PCA), a common form of Factor Analysis has been used to find out major factors of concern in retail purchase decision-making, which have been named as **Retail Purchase Factors (RPFs)**. PCA seeks a linear combination of variables such that the maximum variance is extracted from the variables. It then removes this variance and seeks a second linear combination, which explains the maximum proportion of the remaining variance, and so on. For most datasets, conclusions drawn from data analysis by either PCA or common factor analysis are substantially similar (Wilkinson, Blank, & Gruber, 1996). But we use PCA because it is generally preferred for purposes of data reduction, while common factor analysis is generally preferred when the research purpose is detecting data structure or causal modelling. A test statistic called Bartlett's test of sphericity is used to examine the hypothesis that the variables are not correlated in the

population, i.e. checks whether the population correlation matrix is an identity matrix where each variable correlates perfectly with itself ($r=1$) but has no correlation with the other variables ($r=0$) (Bartlett, 1954). To measure the appropriateness of Factor analysis researcher have used Kaiser-Meyer-Olkin (KMO) test which is a measure of sampling adequacy. High values (between 0.5 - 1) indicate PCA is appropriate whereas values below 0.5 imply that the PCA may not be appropriate (Kaiser, 1974). Next in the Factor analysis, communality is found out, which is the amount of variance a variable shares with all the other variables being considered. Communalities indicate the amount of variance in each variable that is accounted for. For principal components extraction, this is always equal to 1.0 for correlation analyses.

If any communality is very low in a principal components extraction, we may need to extract another component, whereas high communalities indicate that the extracted components represent the variables well. Cronbach's alpha for RPF has been found out to test the reliability of the factors.

Once the factors have been found, the next aim of the study was to find the differences and similarities in the consumer purchase decision-making during grocery purchase on the basis of the factors identified. Now since there were three geographical areas where the study was conducted hence, for the second part of the analysis, ANOVA test was used keeping 5% level of significance. Levene test was out maintaining 5% level of significance to test the homogeneity of variances, which eventually can detect whether equal variances should be assumed or not. Various post-hoc tests were applied like Scheffé for the case of Equal Variances Assumed and Tamhane'sT2 for the case of Equal Variances Not Assumed, as and when applied.

The Data Analysis

Extracting Retail Purchase Factors by PCA

PCA selections produce a solution using principal components extraction (of factor analysis through SPSS), which is then rotated for ease of interpretation. Components with eigen values greater than 1 are saved to the working file. We will first examine the necessity of PCA.

Bartlett's test of sphericity (Approx. Chi-Square=3688.537, df=276, $p<.05$) is significant implying that the variables are correlated in the population so that further data reduction is necessary. After this, PCA has carried out through SPSS. The very high value (=0.881) of Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy indicates that the PCA is appropriate. High communalities indicate that the extracted components represent the variables well.

Next, communality has been found out with the help of Principal Component Analysis. For the given data, we can say that the components represent the variables well because

Table 2: Table for KMO and Bartlett's Test Results

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.881
Bartlett's Test of Sphericity	Approx. Chi-Square	3688.537
	df	276
	Sig.	.000

Table 3: Table of Communalities

	Initial	Extraction		Initial	Extraction		Initial	Extraction		Initial	Extraction
St_1	1.000	0.888	St_7	1.000	0.854	St_13	1.000	0.843	St_19	1.000	0.982
St_2	1.000	0.957	St_8	1.000	0.965	St_14	1.000	0.879	St_20	1.000	0.854
St_3	1.000	0.940	St_9	1.000	0.783	St_15	1.000	0.792	St_21	1.000	0.832
St_4	1.000	0.957	St_10	1.000	0.924	St_16	1.000	0.856	St_22	1.000	0.958
St_5	1.000	0.856	St_11	1.000	0.921	St_17	1.000	0.962	St_23	1.000	0.923
St_6	1.000	0.752	St_12	1.000	0.932	St_18	1.000	0.932	St_24	1.000	0.954

Extraction Method: Principal Component Analysis

communalities are pretty high.

The extracted components explain nearly 83.8% of the variability in the original variables, so

Table 4: SPSS® Output of Total Variance Explained

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.165	25.687	25.687	6.165	25.687	25.687	5.235	21.814	21.81
2	4.832	20.133	45.820	4.832	20.133	45.820	4.756	19.817	41.63
3	3.924	16.350	62.170	3.924	16.350	62.170	3.877	16.154	57.78
4	2.152	8.967	71.136	2.152	8.967	71.136	2.301	9.588	63.37
5	1.709	7.121	78.257	1.709	7.121	78.257	2.106	8.776	76.14
6	1.329	5.567	83.794	1.329	5.567	83.794	1.416	5.901	82.05
7	.692	2.883	86.678						
8	.676	2.817	89.494						
9	.618	2.575	92.069						
10	.512	2.133	94.203						
11	.456	1.900	96.103						
12	.221	.921	97.023						
13	.201	.837	97.861						
14	.181	.754	98.615						
15	.134	.558	99.173						
16	100E-02	.337	99.511						

17	200E-02	.217	99.728						
18	100E-02	.129	99.857						
19	300E-02	9.600E-02	99.953						
20	000E-03	3.300E-02	99.986						
21	000E-03	8.000E-03	99.994						
22	000E-04	4.000E-03	99.998						
23	000E-04	2.000E-03	100.000						
24	000E-04	1.000E-05	100.000						

Extraction Method: Principal Component Analysis.

we can considerably reduce the complexity of the data set by using these components, with

Table 5: SPSS® Output of Rotated Component Matrix

Rotated Component Matrix[a]

	Component					
	1	2	3	4	5	6
VAR00001	.193	8.668E-02	-2.87E-02	4.397E-02	.564	.107
VAR00002	-8.49E-02	.511	.218	.187	5.228E-02	5.552E-02
VAR00003	.954	5.809E-03	-1.75E-02	7.164E-02	7.043E-03	6.092E-02
VAR00004	-4.35E-02	-5.98E-02	.923	.153	-.104	1.134E-02
VAR00005	.271	-7.46E-02	5.938E-02	.698	-3.13E-02	-.189
VAR00006	9.148E-02	5.504E-02	-.169	-2.62E-02	.815	-5.08E-02
VAR00007	-7.16E-02	-9.09E-02	.907	.141	-7.16E-02	5.229E-02
VAR00008	-.107	5.427E-02	.285	.830	-4.93E-02	4.632E-02
VAR00009	.226	.698	-.493	.322	.330	9.865E-02
VAR00010	5.863E-02	-.144	7.345E-02	.632	.122	3.219E-02
VAR00011	4.331E-02	.262	-1.76E-03	-.165	.593	-8.11E-02
VAR00012	-2.97E-02	7.919E-02	.811	.124	.184	.280
VAR00013	.761	.173	4.861E-02	3.691E-02	.263	-.306
VAR00014	.137	.437	8.872E-03	.489	.731	.132
VAR00015	.138	-.143	.717	.118	-.102	.434
VAR00016	.707	.157	-.136	9.585E-02	.213	.229
VAR00017	6.434E-02	-6.48E-02	-6.48E-02	.766	.182	.115
VAR00018	8.889E-02	8.331E-03	8.331E-03	-.164	.399	.524
VAR00019	.853	.320	.320	.300	.113	.387
VAR00020	7.645E-02	.733	.473	-.107	-7.32E-03	-.205
VAR00021	-3.17E-02	.454	.454	-.115	-.260	.645
VAR00022	-.136	7.642E-02	7.642E-02	-.161	.261	.826
VAR00023	-2.42E-02	.823	.282	-5.11E-02	.181	.168
VAR00024	-7.34E-02	.219	-2.55E-02	.674	7.982E-02	-4.83E-02

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

[a.] Rotation converged in 7 iterations.

[54]

only a 16.2% loss of information.

The rotated component matrix helps to determine what the components represent.

The results are as mentioned below.

- The first component is most highly correlated with statements 3, 13, 16 and 19. Now all these statements talk about the distance a customer is willing to go to purchase the grocery. In all the statements the important insight is how the location of the store matters in purchase decision of the consumer. Also from the rotated component matrix the same fact is evident. So it can be named as "Proximity".

- The second component is most highly correlated with statements 2, 9, 20 and 23. All these statements talk about the collection of grocery products that the store keeps. In other words these statements talk about the importance of availability of variety at grocery retail shops. Hence this factor can be named as "Product Assortment".

- The third component is most highly correlated with statements 4, 7, 12 and 15. All of these statements deal with different aspects of communicating with the prospective and existing customers and its effect on the purchase decision. So it can be named as "Communication".

- The fourth component is most highly correlated with statements 5, 8, 10, 17 and 24. All these statements talk about the way the customer would like to do the shopping. They talk about the help the customers need from the people on the shop floor in terms of product knowledge and search from the shelves. So we can name it together as "Service".

- The fifth component is most highly correlated with statements 1, 6, 11 and 14. These talk about the price preferences of the customers in purchase of grocery. They also talk about the discounts and offers and their impact on the purchase pattern. So taking all together we name it as "Price" as the discounts and offers or the brand premium charged ultimately effects the price of the product.

- The sixth component is most highly correlated with statements 18, 21 and 22. These talk about the shop decoration and the atmospheric factors inside the shop and people's preferences for it during grocery purchase. So it can be named as "Ambience".

Cronbach's alpha ranged from 0.618 to 0.928 for the six factors identified, thus confirming a relatively good internal consistency for the RPF scale.

Table 5.6: Reliability Analysis of RPF items extracted through PCA

Reliability Coefficients			
RPFs Factors	Cronbach's Alpha	No. of Items	No. of Cases
1	0.891	4	90
2	0.928	4	90
3	0.625	4	90
4	0.824	5	90
5	0.618	4	90
6	0.908	3	90

Influence of geographical difference on individual Retail Purchase Factors

Influence of geographical difference on expectation of Proximity

The results of the one-way ANOVA comparisons of Proximity scores of all the three geographic areas for grocery sector indicates that no significant difference in importance of proximity exists (F (2,297) = .896, p>.05). So we may conclude that proximity of grocery *is equally important* irrespective of catchment areas. The high average scores of the three catchment areas (Kolkata=9.1; Barrackpur=8.9; Lalgola=8.8) also signify that this factor is very important for customers. In other words for grocery purchase it is very important that the shops are nearer to home.

Influence of geographical difference on expectation of Product Assortment

The results of the one-way ANOVA comparisons of Product Assortment scores of all the three geographic areas for grocery sector indicates that no significant difference in importance of product assortment exists (F (2,297) = 1.395, p>.05). So we may conclude that Product Assortment of grocery *is equally important* irrespective of catchment areas.

Influence of geographical difference on expectation of Ambience

The results of the one-way ANOVA comparisons of Ambience scores of all the three areas for grocery sector indicates that a significant difference exists (F (2,297) = 12.68, p < .05). Scheffé post-hoc measure (since Equal Variances Assumed; Levene Statistic (2,297)=1.948, p>.05) statistically signifies (p>.05) that all the areas *differ from each other*.

Influence of geographical difference on expectation of Price

The results of the one-way ANOVA comparisons of Price scores of all the three geographic areas for grocery sector indicates that no significant difference in importance of price exists (F

(2,197) = 2.234, p>.05). So we may conclude that price of grocery *is equally important* irrespective of catchment areas.

Influence of geographical difference on expectation of Communication

The results of the one-way ANOVA comparisons of Communication scores of all the three areas for grocery sector indicates that a significant difference exists (F (2,297) = 18.29, p < .05). Scheffépost-hoc measure (since Equal Variances Assumed; Levene Statistic (2,297) =1.317, p>.05) statistically signifies (p>.05) that all the areas *differ from each other*.

Influence of geographical difference on Service

The results of the one-way ANOVA comparisons of Service scores of all the three areas for grocery sector indicates that a significant difference exists (F (2,297) = 14.35, p< .05). Tamhane'sT2post-hoc measure (since Equal Variances Not Assumed; Levene Statistic (2,297) =14.327, p<.05) statistically signifies (p>.05) that all the areas statistically *differ from each other*.

So, the null hypothesis that for Grocery as retail product category, people of different geographic areas have same purchase behaviour was rejected since the three geographical areas exhibited different purchase behaviour in 3 out of 6 components (RPFs) of retail purchase behaviour. Hence it may be concluded that the people of different geographical areas did not have absolutely homogeneous grocery purchase pattern and differed in factors like their expectation regarding ambience, communication and service.

Future Study

In the next stage the research could be conducted to understand the factors responsible for customer satisfaction during grocery purchase. An understanding of this will help retailers in identifying the most important elements to be present in their retail strategy mix in accordance with their area of operation.

Conclusion

So it may be understood that diversity exists in the Indian market even within a geographic distance of few hundred kilometres. It may be realised that though factors which impact the grocery purchase behaviour of customers were same, their perception towards the same were different. This indicated that retailers needed to rethink before scaling a standard format across a big market about customisation of retail strategy elements. Now for organised retailers whose major propositions to customers were low prices, regular discounts and high variety, the economies of scale play a vital role which in case of customization would render itself useless. The organised retailers hence need to understand the market more in-depth in terms of their satisfaction and dissatisfaction with the retail formats and the benefits offered to them. This would help the retailers to arrive at a stage till which they can have standardized strategies

followed by regional customisation.

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