

## **Affiliation of Consumer Typologies and Store Choice: Empirical Evidence**

### **1. Dr. R. Anthony Sathish,**

Associate Professor in Commerce,  
H.O.D – P.G. Dept. & Research Centre,  
Government College of Arts, Science and Commerce,  
Quepem - Goa.

### **2. Dr. Rajendra Kumbharjuvankar**

Associate Professor,  
Narayan Zantye College of Commerce,  
Bicholim Goa.

#### **Abstract:**

Distinguishing consumer types and structuring the market offerings modified appropriately is picking up significance in the present competitive environment. There are various studies conducted on the topic in the perspective of western countries. However the consumer typologies determined based on the behavioral pattern of consumers is determined by segment attributes of consumers.

The present study has attempted to identify the consumer typologies in Goa and thereafter established the affiliation of these consumer typologies on store choice decision. The study has identified nine consumer typologies in Goa namely; price sensitive shopper, planned shopper, novelty fad fashion conscious shopper, convenience seeking shopper, variety seeking shopper, brand conscious shopper, confused, support seeking shopper, perfectionist and family shopper.

Thereafter the SEM used to establish the affiliation of these consumer typologies revealed that, customers who are visiting the retail formats for buying SMCGs are price sensitive, variety seekers, brand conscious shoppers and confused support seeking decision makers. While, the customers who are visiting retail formats for buying SMCGs are price sensitive, variety seekers, brand conscious shoppers and confused support seeking decision makers.

**Key Words: Consumer Typologies, Consumer Behaviour, Product Attributes, Store Attributes.**

### **Introduction**

Consumer typology refers to the consumer types determined based on their behavioral pattern like price oriented shoppers, problem solving shoppers, impulse shoppers **Mafini & Dhurup, (2014)** , **Zeng, (2008)**, **Leo, C., Bennett, R., & Hartel, C. E. J. , (2005)**. In the study on consumer typologies, **Westbrook and Black (1985)** have identified four consumer types: the economic consumers, ethical consumers, empathetic consumers and personalizing consumers. Consumers with careful approach in shopping, concerned about assortment, price and quality were characterized as economic shoppers. Those who gave importance for personal relationship with sales personnel were characterized as personalizing shoppers. The ethical shoppers are ready to sacrifice lower price and wider choice for moral beliefs. The empathetic shoppers shop out of necessity without any intrinsic interest.

**Hafstrom, Chae and Chung (1992)** identified six types of shoppers viz. perfectionist, value conscious, brand conscious, novelty-fad-fashion conscious, shopping avoider - time saver - satisfier and confused support seeking decision maker.

The perfectionists are quality conscious and want high standard products; value conscious consumers are price conscious and are looking for best value for their money. Brand conscious consumers are interested in well-known brands; novelty-fad-fashion conscious consumers are excited to seek new products and are conscious of new fashion trends. The shopping avoider - time saver - satisfier makes fewer shopping trips and is

time and convenience conscious. The confused support seeking decision maker seeks help of family and friends in taking buying decisions.

### **Identification of the Research Problem**

In the context of the above literature, it is observed that there is limited research being conducted in this area of research particularly in the Indian context. The study therefore attempts to identify the consumer typologies in the State of Goa and further analyse the affiliation of these consumer typologies on store choice behaviour.

### **Objectives of the study**

The present study is carried out with the intention of studying the behavior of consumers in Goa. The key objectives of the study are:

1. To identify the consumer typologies in Goa.
2. To analyse the affiliation of consumer typologies on store choice decision.

### **Research Methodology**

#### **Sample Size and Period of Study**

A sample of 1000 respondents consisting of 482 Male and 518 Female respondents were selected and studied. The study was conducted over a period from December 2019 to January 2020 in the State of Goa.

#### **Data processing and Framework of analysis**

For the purpose of analysis, a 36 item scale was developed based on the earlier literatures by **Hafstrom, Chae and Chung (1992)**, **Mafini and Dhurup, (2014)**, **Westbrook and black (1985)** and the researcher's own contribution with modification of the statements suiting the local requirement. These 36 items, measured on a seven point rating scale, was used for the pilot study, consisting of a sample of 100 respondents. Based on the findings of the study, three items with item to total correlations of  $< 0.30$  were removed and the final 33 items were retained. This refined scale consisting of 33 items is used to analyze the typologies of the consumers in Goa.

For the purpose of dimension reduction and for factor extraction, Exploratory Factor Analysis (EFA) was conducted. As suggested by **Worthington and Whittaker (2006)** it should be started with EFA and then move to CFA using a different sample.

Hence, for the purpose of conducting EFA a sample of 350 respondents was drawn from the data set by using random sampling technique available under sort cases function in SPSS. Further, by using the same random sampling technique a separate sample of 650 respondents was drawn from the data set for conducting CFA.

The reliability of the scale is tested based on Cronbach's alpha statistics. The 33 items used in the study has a Cronbach's alpha of 0.914. As stated earlier, the alpha value between 0.70 and 0.90 is considered to be good fit and if it is  $> 0.90$  it is considered excellent. Since the alpha value in the study is 0.914, the scale used for the analysis indicates an excellent fit.

The reliability was further tested by using split-half technique. As per results of the analysis, the Cronbach's alpha for the 17 items under part 1 is 0.859 and the Cronbach's alpha for 16 items under part 2 is 0.870. The Guttman split-half coefficient is 0.771. As per ANOVA results, the grand mean is 4.94, F-value is 23.847 and P-value is 0.001. Hence it can be concluded that the scale used in the model for analyzing the typologies of the consumers in Goa is reliable.

The EFA results revealed nine factors by retaining all the 33 items with factor loading of 0.50 and above. These factors are labeled as, price sensitive shopper, planned shopper, novelty fad fashion conscious shopper, convenience seeking shopper, variety seeking shopper, brand conscious shopper, confused; support seeking shopper, perfectionist and family shopper.

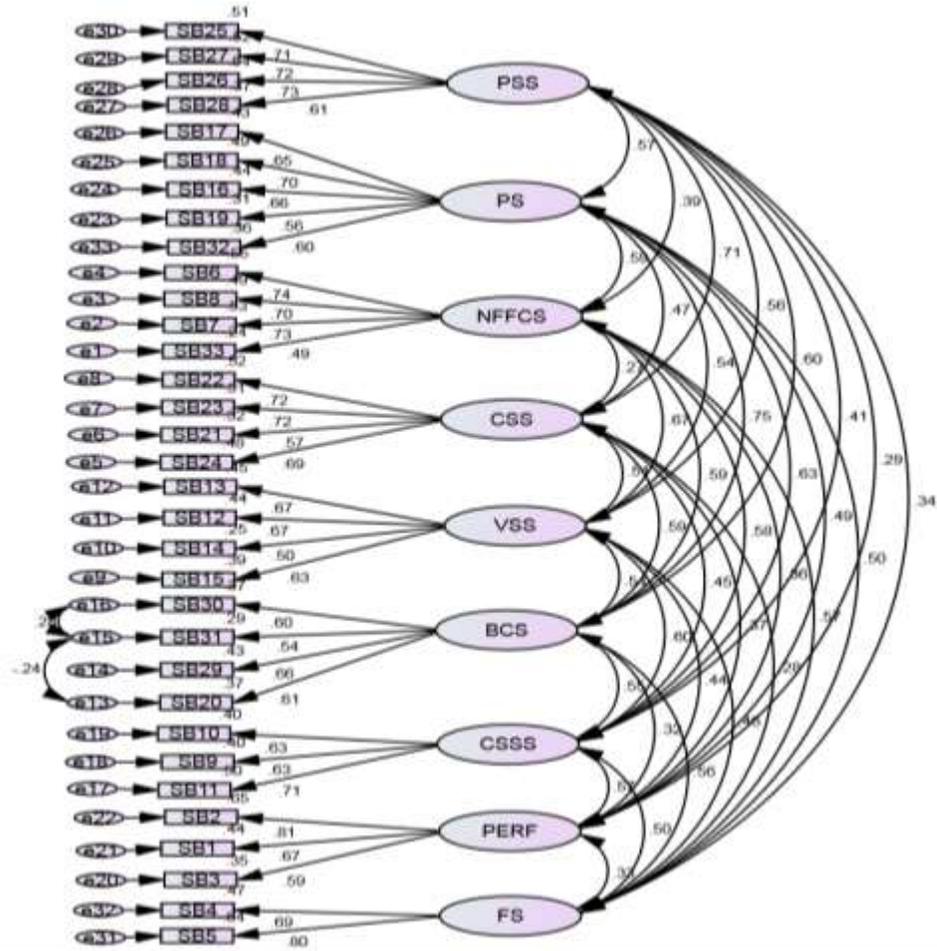
The factor loadings with respect to all the variables used in the analysis ranges from 0.586 to 0.848. As per the cumulative variance extracted, all the nine factors in the model explain 63.31 % of the variance. The constructs price sensitive shopper has a Cronbach's alpha of 0.79 and inter item correlation of 0.48, planned shopper has a Cronbach's alpha of 0.77 and inter item correlation of 0.40, novelty fad fashion conscious shopper has a Cronbach's alpha of 0.75 and inter item correlation of 0.43, convenience seeking shopper

has a Cronbach's alpha of 0.77 and inter item correlation of 0.45, variety seeking shopper has a Cronbach's alpha of 0.71 and inter item correlation of 0.37, brand conscious shopper has a Cronbach's alpha of 0.70 and inter item correlation of 0.37, confused, support seeking shopper has a Cronbach's alpha of 0.70 and inter item correlation of 0.44, perfectionist has a Cronbach's alpha of 0.72 and inter item correlation of 0.47 and family shopper has a Cronbach's alpha of 0.71 and inter item correlation of 0.55.

Since, the Cronbach's alpha is  $> 0.70$  and the inter-item correlation are  $> 0.30$  in respect of all the factors, the factor structures derived are reliable and therefore can be used for further analysis.

The model fit of the sample data and the nine factors identified through EFA, were further validated using Confirmatory Factor Analysis (CFA). CFA reveals how well the specification of the factor structure matches the reality. It provides a confirmatory test of the measurement theory. As it is suggested by **Worthington and Whittaker (2006)**, that CFA should be conducted by using a different sample, a sample of 650 respondents was drawn from the data set by using random sampling technique available under sort cases function in SPSS. The following model was prepared to carry out CFA to test the convergent validity of the construct:

Figure No. 1 CFA-Measurement Model for Analyzing the Consumer Typologies in Goa



Source: Drawn based on Analysis of Primary Data

**N.B.:** PSS - Price Sensitive Shopper, PS - Planned Shopper, NFFCS - Novelty Fad Fashion Conscious Shopper, CSS - Convenience Seeking Shopper, VSS - Variety Seeking Shopper, BCS - Brand Conscious Shopper, CSSS - Confused, Support Seeking Shopper, PERF - Perfectionist and FS - Family Shopper

**Table No. 1 Regression Weights of CFA Measurement Model for Analyzing Consumer Typologies in Goa**

			Estimate	S.E.	C.R.	P
SB28	<---	PSS	0.642	0.045	18.219	***
SB26	<---	PSS	0.702	0.059	17.816	***
SB27	<---	PSS	0.717	0.062	18.158	***
SB25	<---	PSS	0.724	0.067	18.219	***
SB19	<---	PS	0.582	0.073	14.411	***
SB16	<---	PS	0.611	0.066	14.656	***
SB18	<---	PS	0.708	0.067	16.245	***
SB17	<---	PS	0.597	0.066	14.411	***
SB32	<---	PS	0.566	0.064	14.108	***
SB33	<---	NFFCS	0.458	0.044	13.227	***
SB7	<---	NFFCS	0.733	0.123	13.189	***
SB8	<---	NFFCS	0.684	0.113	12.869	***
SB6	<---	NFFCS	0.739	0.129	13.227	***
SB24	<---	CSS	0.629	0.048	17.985	***
SB21	<---	CSS	0.602	0.064	15.383	***
SB23	<---	CSS	0.705	0.07	17.136	***
SB22	<---	CSS	0.766	0.065	17.985	***
SB15	<---	VSS	0.621	0.051	15.484	***
SB14	<---	VSS	0.496	0.066	12.685	***
SB12	<---	VSS	0.686	0.07	15.773	***
SB13	<---	VSS	0.664	0.082	15.484	***
SB20	<---	BCS	0.597	0.066	14.137	***
SB29	<---	BCS	0.624	0.074	14.69	***
SB31	<---	BCS	0.546	0.096	11.692	***
SB30	<---	BCS	0.601	0.075	14.137	***
SB11	<---	CSSS	0.707	0.069	15.91	***
SB9	<---	CSSS	0.635	0.056	15.91	***
SB10	<---	CSSS	0.635	0.057	15.91	***
SB3	<---	PERF	0.625	0.044	16.601	***
SB1	<---	PERF	0.671	0.081	15.518	***
SB2	<---	PERF	0.772	0.082	16.601	***
SB5	<---	FS	0.783	0.071	16.457	***
SB4	<---	FS	0.699	0.052	16.457	***

Source: Computed from Primary Data

\*\*\* Significant at 0.001 level of significance

**Codes:** **PSS** - Price Sensitive Shopper, **PS** - Planned Shopper, **NFFCS** - Novelty Fashion Conscious Shopper, **CSS** - Convenience Seeking Shopper, **VSS** - Variety Seeking Shopper, **BCS** - Brand Conscious Shopper, **CSSS** - Confused, Support Seeking Shopper, **PERF** - Perfectionist and **FS** - Family Shopper

Figure No. 1 relates to CFA measurement model for analyzing consumer typologies in Goa and Table No. 2 relates to the regression weights of the analysis. The convergent validity of the construct was assessed by examining the factor loadings, critical ratio, P-value and average variance extracted of the constructs as suggested by **Fornell and Larcker (1981), Ganguli S. and Roy S. K. (2010)**.

As seen in the Table No. 1, all the observed variables significantly load on to the latent constructs with regression weights ranging from 0.458 to 0.783, C. R. ranges from 11.692 to 18.219, AVE  $\geq$  0.5 and P-values  $<$  0.001. The above results support the convergent validity of the constructs.

**Table No. 2 Fit Measures for the CFA Measurement Model for Analyzing Consumer Typologies in Goa**

Indicators of Fit	Values for the Model Fit
$\chi^2$	2199.925
D. F.	455
P-value	0.001
Normed $\chi^2$	4.835
GFI	0.873
AGFI	0.844
RMSR	0.090
RMSEA	0.068
CFI	0.840
TLI	0.872

Source: Computed from Primary Data

Table No. 2 relates to the Fit measures for the CFA measurement model analyzing consumer typologies in Goa. Based on the major fit measures and guidelines for their acceptable values as shown in Table No. 4.52 and the model fit indices derived through CFA, as shown in Table No. 4.53, it is seen that the  $\chi^2$  for the CFA model is 2199.925, DF is 455 and the P value is  $<$  0.001. Hence, it is significant at 0.001. Further the Normed  $\chi^2$  i.e. (CMIN/DF) is 4.835 which is  $<$  5, GFI, AGFI RMSR, RMSEA, CFI and TLI are 0.873, 0.844, 0.090, 0.068, 0.840 and 0.872 respectively these indicates that the model is moderately fit.

Hence, based on the above analysis it can be concluded that, the nine consumer typologies in Goa identified in the model as price sensitive shopper, planned shopper, novelty fad fashion conscious shopper, convenience seeking shopper, variety seeking shopper, brand conscious shopper, confused, support seeking shopper, perfectionist and family shopper, fits into the model and that, they can be used for further analysis.

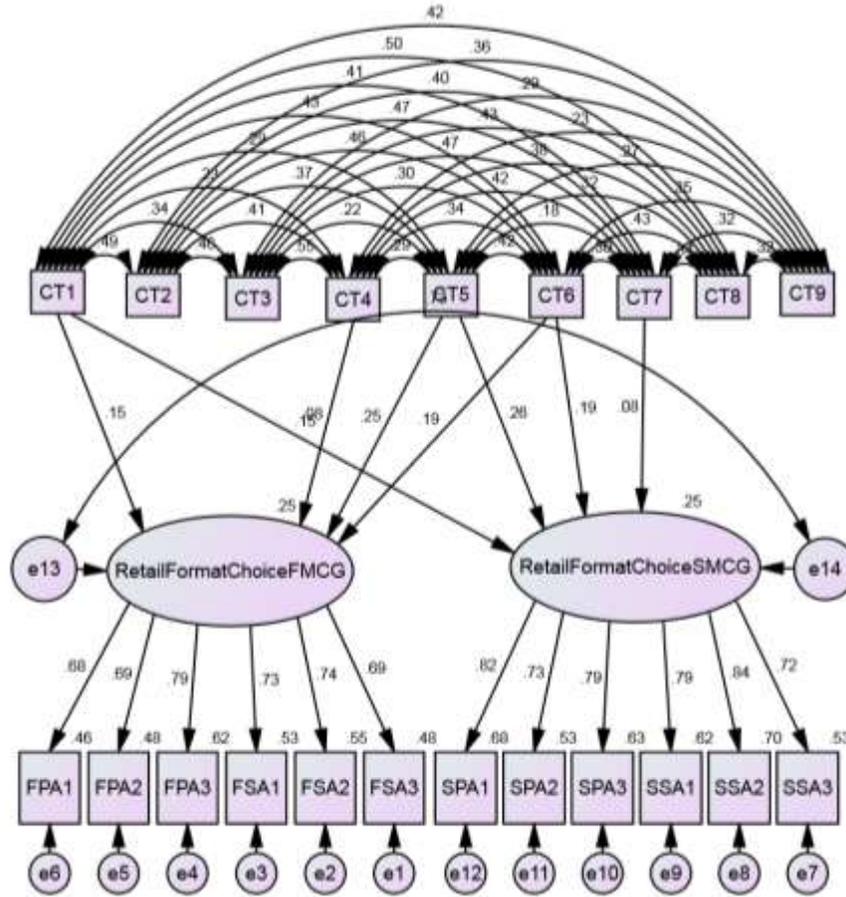
### **Analysis of affiliation among Consumer Typologies and Retail Format Choice for Buying FMCGs and SMCGs**

In this part of the study an attempt is made to analyse the relationship of nine consumer typologies with that of the retail format choice for fast moving consumer goods and slow consumer goods. The typologies of consumers identified are: price sensitive shopper, planned shopper, novelty fad fashion conscious shopper, convenience seeking shopper, variety seeking shopper, brand conscious shopper, confused, support seeking shopper, perfectionist and family shopper. While the factors considered in the choice of retail format for buying FMCGs and SMCGs are classified as product attributes and store attributes. The product attributes are further classified as primary product attributes, secondary product attributes and ancillary product attributes. The store attributes are further classified as primary store attributes, secondary store attributes and ancillary store attributes. This classification is done separately for fast moving consumer goods and slow moving consumer goods.

For the purpose of analysis, the following hypothesis is developed and tested by using structural equation modeling.

**Ho1 There is no statistically significant affiliation among consumer typologies and retail format choice for buying FMCGs and SMCGs.**

**Figure No. 2 SEM – Measurement Model for Assessing the Relationship among Consumer Typologies and Retail Format Choice for Buying FMCGs and SMCGs**



Source: Drawn from primary data

**Codes used in the Model:**

- 1 **Consumer Typologies:** CT1 - Price Sensitive Shopper, CT2 - Planned Shopper, CT3 - Novelty-Fad-Fashion Conscious Shopper, CT4 - Convenience Seeking Shopper, CT5 - Variety Seeking Shopper, CT6 - Brand Conscious Shopper , CT7 - Confused Support Seeking Decision Maker, CT8 - Perfectionist, CT9 - Family Shopper.
- 2 **Store Format Choice FMCGs:** FPA1 - Primary Product Attributes, FPA2 - Secondary Product Attributes FPA3 Ancillary Product Attributes FSA1 - Primary Store Attributes, FSA2 - Secondary Store Attributes and FSA3 - Ancillary Store Attributes.

- 3 **Store Format Choice SMCGs: SPA1** - Primary Product Attributes, **SPA2** - Secondary Product Attributes **SPA3** Ancillary Product Attributes **SSA1** Primary Store Attributes, **SSA2** Secondary Store Attributes and **SSA3** - Ancillary Store Attributes.

**Table No. 3 Goodness of Fit Measures for the SEM – Measurement Model for Assessing the Relationship among Consumer Typologies and Retail Format Choice for Buying FMCGs and SMCGs**

Indicators of Fit	Values for the Model Fit
$\chi^2$	701.006
D. F.	151
P-value	0.001
Normed $\chi^2$ (CMIN/DF)	4.642
GFI	0.939
AGFI	0.907
RMSR	0.074
RMSEA	0.060
CFI	0.925
TLI	0.946

Source: Computed from Primary Data

As per the results of goodness of fit test shown in Table No. 3 above,  $\chi^2$  is 701.006, D. F. is 151, P-value is 0.001, Normed  $\chi^2$  (CMIN/DF) is 4.642 (moderate fit), GFI 0.939 and AGFI is 0.907 (good fit), RMSR is 0.074 and RMSEA is 0.060 (good fit), CFI is 0.925 and TLI is 0.946 (good fit). All these indices indicate the fitness of the model. Therefore, the model is acceptable.

**Table No. 4 Regression Weights of SEM Measurement Model for Assessing the Relationship among Consumer Typologies and Retail Format Choice for Buying FMCGs and SMCGs**

	Estimate	S.E.	C.R.	P	Label
RFChoiceFMCG <--- CT1	.102	.024	4.179	***	par_56
RFChoiceFMCG <--- CT4	.063	.019	3.316	***	par_57
RFChoiceFMCG <--- CT5	.264	.035	7.471	***	par_58
RFChoiceFMCG <--- CT6	.191	.036	5.299	***	par_59
RFChoiceSMCG <--- CT1	.093	.021	4.382	***	par_60
RFChoiceSMCG <--- CT5	.235	.029	8.047	***	par_61
RFChoiceSMCG <--- CT6	.167	.030	5.606	***	par_62
RFChoiceSMCG <--- CT7	.054	.020	2.719	.007	par_63
FSA3 <--- RFChoiceFMCG	.697	.057	18.937	***	par_37
FSA2 <--- RFChoiceFMCG	.748	.050	21.457	***	par_37
FSA1 <--- RFChoiceFMCG	.710	.050	20.400	***	par_38
FPA3 <--- RFChoiceFMCG	.789	.049	22.483	***	par_39
FPA2 <--- RFChoiceFMCG	.692	.044	20.045	***	par_40
FPA1 <--- RFChoiceFMCG	.657	.049	18.937	***	par_41
SSA3 <--- RFChoiceSMCG	.758	.025	25.110	***	par_42
SSA2 <--- RFChoiceSMCG	.851	.064	27.371	***	par_42
SSA1 <--- RFChoiceSMCG	.782	.049	25.242	***	par_43
SPA3 <--- RFChoiceSMCG	.784	.050	25.317	***	par_44
SPA2 <--- RFChoiceSMCG	.788	.056	22.363	***	par_45
SPA1 <--- RFChoiceSMCG	.822	.065	25.110	***	par_46

\*\*\* P-value < 0.001

Source: Computed from Primary Data

Figure No. 2 relates to SEM – measurement model for assessing the relationship among consumer typologies and retail format choice for buying FMCGs and SMCGs and Table No. 4 relates to the regression weights of the analysis. As seen in the table, the consumer typologies are taken as exogenous constructs and the store format choice for FMCGs and SMCGs are taken as endogenous constructs.

The SEM results analyzing the relationship among consumer typologies and retail format choice for FMCGs revealed that, out of nine consumer typologies only four, CT1 (price

sensitive shopper), CT4 (convenience seeking shopper), CT5 (variety seeking shopper) and CT6 (brand conscious shopper), significantly loaded on to the endogenous construct retail format choice (FMCGs) with P-values < 0.001.

In respect of analysis of relationship between consumer typologies and retail format choice for SMCGs also four out of nine typologies CT1 (price sensitive shopper), CT5 (variety seeking shopper), CT6 (brand conscious shopper), CT7 (confused support seeking decision maker), significantly loaded on to the endogenous construct, retail format choice (SMCGs) with P-values < 0.05

Hence it can be stated that, there is a statistically significant relationship among price sensitive shopper, convenience seeking shopper, variety seeking shopper, brand conscious shopper and retail format choice for FMCGs. This can be interpreted as; the customers who are visiting the retail formats for buying FMCGs are price sensitive, convenience seekers, variety seekers and brand conscious shoppers.

With regards to analysis of relationship between consumer typologies and retail format choice for SMCGs it is observed that, there is a statistically significant relationship among price sensitive shopper, variety seeking shopper, brand conscious shopper, confused support seeking decision maker and retail format choice for SMCGs. Hence, it can be interpreted that the customers who are visiting the retail formats for buying SMCGs are price sensitive, variety seekers, brand conscious shoppers and confused support seeking decision makers.

In the light of the above analysis, based on P-value < 0.05, **Ho1(n)** that, there is no statistically significant relationship between consumer typologies and retail format choice for buying FMCGs and SMCGs is rejected in respect of consumer typologies price sensitive shopper, convenience seeking shopper, variety seeking shopper, brand conscious shopper and confused support seeking decision maker. However it is accepted in respect of planned shopper, novelty-fad-fashion conscious shopper, perfectionist and family shopper.

## Conclusions

The Analysis with regards to consumer typologies has revealed nine consumer typologies viz. price sensitive shopper, planned shopper, novelty fad fashion conscious shopper, convenience seeking shopper, variety seeking shopper, brand conscious shopper, confused, support seeking shopper, perfectionist and family shopper. All these typologies were found to have statistically significant relationship with retail format choice for buying FMCGs and SMCGs.

The analysis of affiliation among consumer typologies and retail format choice for buying FMCGs and SMCGs have established that, consumers who visit retail formats for buying FMCGs are price sensitive, convenience seekers, variety seekers and brand conscious shoppers, while the consumers visiting the retail formats for buying SMCGs are price sensitive, variety seekers, brand conscious shoppers and confused support seeking decision makers.

Hence a proactive marketer should adopt appropriate consumer engagement strategies to attract consumers and hold on to them for the lifetime.

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