

IMPACT OF RETAIL MARKETING IN BUYING BEHAVIOUR OF HOUSEHOLDS

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Abstract

Indian retailing is at all-time growth today. The industry is flooded with footfalls of foreign retail giants; in this situation the discussion is open on the survival of Kirana stores (unorganized retailers) in India. Retailing in India is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP. The customer taste is also changing according to the change in whole retailing environment. Consumer behaviour is a complex, dynamic, multidimensional process, and all marketing decisions are based on assumptions about consumer behaviour. Consumer research takes places at every phase of utilization process, before the purchase, during the purchase and after the purchase. It is concerned with learning the specific meanings that products hold for consumers. Understanding the consumer attitude is an important part of the marketing process to realize the challenges faced by marketers in comprehending the consumer's mind. Marketing starts with the needs of the customer and ends with his satisfaction. When everything revolves round the customer, then the study of consumer behavior becomes a necessity. It starts with the buying of goods can be bought individually, or in groups. The heterogeneity among people makes understanding consumer behaviour a challenging task to marketers. Hence marketers felt the need to obtain an in-depth knowledge of consumers buying behaviour. The main aim of this present study focusing on the Impact of Retail Marketing in Buying Behaviour of Consumers towards Households and study based on both primary and secondary sources of data collections.

***Keywords:** GDP, Consumers' Taste & Preferences, Research, Behaviour to Necessity, Heterogeneity and Consumer Buying Behaviour.*

Introduction

Marketing is so much more than creating a catchy phrase or a jingle people will sing for days. Understanding consumer behavior is a vital aspect of marketing. Consumer behavior is the study of how people make decisions about what they buy, want, need or act in regards to a product, service, or company. It is critical to understand consumer behavior to know how potential customers will respond to a new product or service. It also helps companies identify opportunities that are not currently met. A recent example of a change in consumer behavior is the eating habits of consumers that have drastically increased the demand for gluten-free (GF) products. The companies that monitored the change in eating

patterns of consumers created GF products to fill a void in the marketplace. However, many companies did not monitor consumer behavior and were left behind in releasing GF products. Understanding consumer behavior allowed the pro-active companies to increase their market share by anticipating the shift in consumer wants.

A household consists of one or more people who live in the same dwelling and also share at meals or living accommodation, and may consist of a single family or some other grouping of people. A single dwelling will be considered to contain multiple households if either meals or living space are not shared. The household is the basic unit of analysis in many social, microeconomic and government models, and is important to the fields of economics and inheritance. Household models include the family, varieties of blended families, share housing, group homes, boarding houses, houses in multiple occupation, and a single room occupancy. In feudal times, the royal Household and medieval households of the wealthy would also have included servants and other retainers.

Objectives of the Study

The present study framed with this following objectives:

1. To know about the Indian Consumer Behaviour
2. To analyze the various factors that impacts the buying behaviour of households towards Retail Marketing.
3. To study the factors deciding the purchasing decision of households.

Operational Definitions

A household may be defined as “all persons living under one roof or occupying a separate housing unit, having either direct access to the outside (or to a public area) or a separate cooking facility. Where the members of a household are related by blood or law, they constitute a family”.

“Retail marketing is the range of activities undertaken by a retailer to promote awareness and sales of the company’s products. This is different from other types of marketing because of the components of the retail trade, such as selling finished goods in small quantities to the consumer or end user, usually from a fixed location. Retail marketing makes use of the common principles of the marketing mix, such as product, price, place and promotion”.

Reviews of Related Literatures

Tendai and Crispen (2009) the study explains the influence of in-store shopping environment on impulsive buying among consumers. The impulsive decision making theory and the consumer decision making model were used to substantiate the study (Schiffman and Kanuk, 2007). A total of 320 shoppers conveniently sampled at a selected shopping mall

served as the sample. A 5% test of significance showed that in-store factors of an economic nature such as price and coupons were more likely to influence impulsive buying than those with an atmospheric engagement effect like background music and scent.

Hsu et.al. (2010) this study explains the interrelationships among grocery store image, travel distance (TD), customer satisfaction, and behavioral intentions (BI) in a college town setting. Surveys are given to undergraduate college student grocery shoppers in a Midwest college town. The 400 usable questionnaires are randomly divided into two parts: one subsample was used for exploratory factor analysis while the other (larger) subsample was used for confirmatory factor analysis and subsequently the structural path analysis.

Indian Consumer Behavior

The Indian consumer has undergone a remarkable transformation. Just a decade or two ago, the Indian consumer saved most of his income, purchased the bare necessities and rarely indulged himself. Today, armed with a higher income, credit cards, exposure to the shopping culture of the west and a desire to improve his standard of living, the Indian consumer is spending like never before. Organized retail with its variety of products and multitude of malls and supermarkets is fueling his addiction. His new mentality, in turn, is fueling the growth of organized retail in India. Some of the features characteristic of these consumers is their tendency to borrow money in order to buy the upscale items contrary to the traditional line of thought that Indian consumers are indisposed to credit. But these consumers not only have price and quality on their minds but also the fact that their brands effectively reflect their local environment and are consonant with their life style. And this is where the foreign multinationals coming into the Indian consumer market has to pay attention. Selling global brands in India at global prices is a road to perdition. Companies who have tailored their products to the Indian environment and customer have reaped high rewards.

At the same time, Indians will find it hard to give up their old habits of shopping at the local corner-store or buying goods from the street-vendor. The next section describes the unorganized and organized retail sectors in detail. It is critical to understand these sectors individually to speculate about possible the nature of interaction between them. While the traditional form of retail in India is sure to suffer a setback from the entry of large organized retailers, it is possible for both forms to co-exist serving the new personality and old-habits of the Indian consumer simultaneously. The retailer in order to stay in the market and face the competition he should understand consumer shopping behavior. This is possible by analyzing the factors that affect behavior. These factors could be demographic, psychological, environmental or related to the lifestyle of the customer.

The retailer also needs to identify the various stages in the customer decision making process and the major influence stage. To understand the concept from the 1950s to 1980 Indian shoppers were used to shop at Haat, Mandis, Melas and at small family run stores Kirana shops. After liberalization, privatization and globalization Indian government lifted the restrictions from private companies and Indian economy slowly progressed from being state-led to market friendly. This was the beginning of modern India. The growth of middle and higher middle class, growing trend of call centers and BPO, increasing number of dual income nuclear families, convenience of shopping from one place to another, reasonable pricing and a good place to pass the time fuelled the growth of supermarket, hypermarkets and concepts of organized retailing in India.

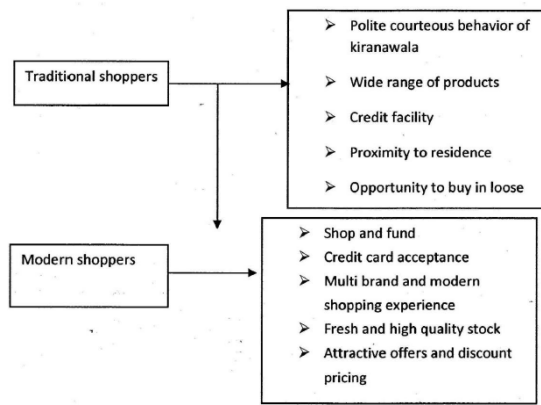


Figure 1: Consumer Behaviour Model in Changing Retail Scenario

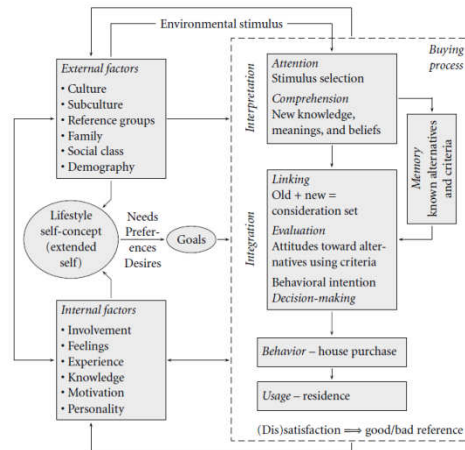


Figure 2: A Conceptual Model of the Buying Process

Analysis Part of the Study

Table 1: General Demographic Profile of the Respondents

Basics	Classification	No. of Respondents	Frequency	Cumulative Frequencies
Gender	Male	50	50.00	50.00
	Female	50	50.00	100.00
Total		100	100.00	
Age	Below 30	44	44.00	44.00
	31 - 60 years	36	36.00	80.00
	Above 60	20	20.00	100.00
Total		100	100.00	

Educational Qualification	Up to Under Graduate	28	28.00	28.00
	Post Graduate	42	42.00	70.00
	Professional	25	25.00	95.00
	Others	5	5.00	100.00
Total		100	100.00	
Monthly Income	Below Rs.20,000	20	20.00	20.00
	Rs.20,001-Rs.40,000	32	32.00	52.00
	Rs.40,001-Rs.60,000	28	28.00	80.00
	Rs.60,001-Rs.80,000	15	15.00	95.00
	Above Rs.80,000	5	5.00	100.00
Total		100	100.00	
Average purchase	Below Rs.5,000	40	40.00	40.00
	Rs.5,001-Rs.10,000	30	30.00	70.00
	Rs.10,001-Rs.15,000	18	18.00	88.00
	Rs.15,001-Rs.20,000	9	9.00	97.00
	Above Rs.20,000	3	3.00	100.00
Total		100	100.00	
Employment status	Self-employed	25	25.00	25.00
	Business	48	48.00	73.00
	Private Employee	20	20.00	93.00
	Government Employee	5	5.00	98.00
	Others	2	2.00	100.00
Total		100	100.00	

Source: Primary data

Table 2: Reason for Choosing the Brand

Reason	Color TV	AC	Refrigerator	Washing Machine	Mixer Grinder	Total
Because of better after service	25	30	32	10	7	100
Because of brand name	20	35	25	10	10	100
Because of brand name & better after service	22	38	20	12	8	100
Lesser price	18	26	24	18	14	100

Source: Primary data

Table 3: Satisfaction level towards service provided at Retail Outlets

Parameter	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
Quality of service	55	33	12	0	0	100
Self-service	25	43	18	9	5	100
Product price range	16	36	38	2	8	100
Visual merchandising	21	31	22	24	2	100
Time saving	22	46	22	4	6	100
Fast checkout	17	38	26	13	6	100
Easy accessible layout	22	36	25	8	9	100
Parking facilities	7	21	24	33	15	100
Trolley facilities	17	40	31	6	6	100
Home delivery facilities	18	53	21	8	0	100
Store Entrance & Walkways	17	31	37	8	7	100
Variety of Mode of Payment	9	18	19	28	26	100

Source: Primary data

Table 4: Opinion Regarding the Purpose for Products by Households

Cluster	Cluster Strength	Essential Product		Comfort Product		Luxury Product	
		N	%	N	%	N	%
Need Recognition Cluster	36	16	16.00 %	9	09.00 %	11	11.00 %
Domestic Purchase Cluster	34	17	17.00 %	10	10.00 %	7	07.00 %
High Technology Cluster	30	15	15.00 %	10	10.00 %	5	05.00 %

Source: Primary data

Table 5: Impact of Income on Consumer Behaviour & Lifestyle Characteristics

Consumer behavior and Lifestyle characteristic	Need recognition Cluster		Domestic purchase Cluster		High Technology Cluster	
	F	Sig.	F	Sig.	F	Sig.
Domestic approach	0.216	0.643	10.288	0.001*	0.451	0.504
Frivolous time	2.266	0.134	3.896	0.049*	0.476	0.493
Go-getters	0.040	0.843	4.480	0.035*	0.320	0.573
Gregarious approach	0.513	0.475	5.612	0.018*	2.762	0.101
Meticulous approach	0.102	0.750	0.357	0.550	0.302	0.584
Peculiarity	0.179	0.672	0.054	0.816	1.556	0.216
Perceived notions	0.053	0.817	2.267	0.133	6.993	0.010*
Product characteristics	0.697	0.405	5.156	0.024*	0.086	0.770
Purchase materialization	0.009	0.926	3.993	0.046*	2.821	0.097
Quality conscious	0.058	0.809	3.166	0.076	0.010	0.919

Source: Primary data (Degree of Freedom = 1 * Significant at 5% significance level)

Table 6: Mode of Information

Modes	No. of Respondents	Frequencies	Cumulative Frequencies
Television	30	30.00	30.00
Radio/FMs	9	30.00	39.00
Newspaper	23	23.00	62.00
Books & Magazines	20	20.00	82.00
Friends & Relatives	5	5.00	87.00
Internet	13	13.00	100.00
Total	100	100.00	

Source: Primary data

Table 7: Reasons for Visiting Retail Outlets by Households

Description	Highly Agree	Agree	Neutral	Disagree	Highly Disagree	Total
Store comfort ability to shop-in	32.00	14.00	16.00	14.00	24.00	100.00
Better price	32.00	34.00	20.00	10.00	04.00	100.00
Good quality of products	14.00	30.00	36.00	14.00	06.00	100.00
Variety of products to choose	22.00	38.00	26.00	12.00	02.00	100.00
Parking facilities	42.00	38.00	16.00	02.00	02.00	100.00
Convenience/opening hours	24.00	18.00	20.00	12.00	24.00	100.00
Product knowledge of employee	20.00	28.00	24.00	16.00	12.00	100.00

Source: Primary data

Table 8: Ranking of the various factors of Retail Outlet buying behavior of Household

S. No.	Factors	Standard Deviation	Ranks
1.	Accommodates all classes of buyer here	0.694	10
2.	Attracted by many advertisements	0.686	12
3.	Buying apparel is not expensive here	0.851	2
4.	Buying here increases social recognition	0.827	3
5.	Convenient to buy as it pick and choice	0.678	17
6.	Family shopping is possible under a roof	0.689	11
7.	I buy here because it saves money	0.868	1
8.	Latest design is available	0.709	8
9.	One can blindly trust on a renowned outlet offerings	0.699	9
10.	Outlet name carries extra weightage	0.510	19
11.	Outlets are for middle class people also	0.668	13
12.	Selection becomes easy because many options are available	0.636	16
13.	Size creates no bar in selection	0.667	14
14.	Stitching lasts for many years	0.715	6
15.	Their apparel remains new for years	0.563	18
16.	To keep oneself fashionable	0.807	5
17.	Too many are coming here so I came	0.824	4
18.	Various discounts offers attract me	0.649	15
19.	Wearing this apparel gives me same feelings till rejection	0.744	7
Grand total		13.484	

Source: Primary data

Table 9: Factors affecting Buying Decisions of Consumers about Retail Markets towards Households

S. No.	Factors	Ranks
1.	Environment of the consumer	I
2.	Influences of Geographic location	II
3.	Family	III
4.	Income of the consumers	IV
5.	Place of purchase	V
6.	Multiple use of product	VI
7.	Brand preference and loyalty	VII
8.	Cultural influence	VIII
9.	Awareness to urban lifestyles	IX
10.	Situation in which the consumer uses the products	X
11.	Efforts of marketers to reach the rural consumers	XI

Source: Primary data

Table 10: Ranking of Elements of Marketing Mix by the Respondents

S. No.	Elements	Total Mean Score	Ranking
1.	After Sales Service	7.5	3
2.	Appearance	7.78	2
3.	Attractive advertisement	6.32	4
4.	Brand Name	5.66	5
5.	Celebrity	3.92	10
6.	Credit facilities	8.29	1
7.	Demo by agents	5.02	6
8.	Door delivery	4.82	7
9.	Green product	4.58	8
10.	Installation	4.18	9
11.	Less Power consumption	2.22	15
12.	Offers and discount	2.06	17
13.	Performance	1.74	20
14.	Quality	3.05	11
15.	Reasonable price	2.44	12
16.	Re-Purchase/Exchange offer	2.38	13
17.	Trust worthiness of dealer	2.11	16
18.	Value addition	1.91	18
19.	Warranty	2.23	14
20.	Word of mouth promotion	1.84	19

Source: Primary data

Factor Influencing Purchasing Decision

Location of the outlet: The location of the outlet at times acts as a purchase decision influencer. People usually prefer to purchase from the outlets that are at convenient locations.

Range of products available: The variety available in stores often influences one's purchase from an organized or unorganized outlet. It is found mostly that organized retail stores have much variety than the unorganized retail stores.

Convenience while shopping: The convenience felt while making purchases often acts as a decision influencer regarding where to make the purchases from. Some people are more comfortable with the unorganized retail while some are comfortable with the organized retail in this aspect.

Store image: At times, the image of the store compels a customer to make purchases from there. The attractive image of the store, the beautifully displayed articles etc. gains the attention of many and the people end up making purchases.

Packing of products: The beautiful and attractive packing offers act as an influencer for the customers to make purchases. The customers get attracted towards the packages and at times make purchases just because of it. The attractive packing is mostly offered by the organized retail stores.

Parking facility: Parking has become a big problem today as the no. of vehicles owned per family has increased. Whenever one goes for shopping, the first idea that comes in mind is regarding parking facility available in the shopping area. So, the parking facility available is a purchase decision influencer.

Entertainment: Some people prefer to have an entertaining experience while shopping. Besides shopping, they prefer air- conditioned ambience, food courts, game zones where they can leave their children and shop in the meanwhile, food courts , movie shows etc. and these kind of facilities available often stimulate people to make purchases from a particular kind of store.

Time saving: Often people look for the place where the purchases can be made quickly without wastage of time and so the formats which offer this facility attract the customers. So, it can be inferred that time saving while shopping can be a purchase decision influencer.

Conclusion

The consumers always take time to consider and weigh all aspects, including price before making a purchase. When consumers see an advertisement they don't make impulsive decision while shopping because economic conditions are also under consideration. The results show that consumers always buy goods that are useful and are of

reasonable price. The consumers buy only those goods which are worth buying even if advertisements are too good. Generally, people don't buy things only on looking at an advertisement in the store. In fact, there is a no relationship between advertisement and impulsive purchase decision of consumers when the question is regarding quality or when the consumer weighs economic conditions also. The study concludes that the Indian customers give the most importance to security and privacy to generate trust. Perceived privacy of customer information can be improved by ensuring that at no point of time the customer is asked for irrelevant personal information. Most of the people feel that products available through online shopping are costly because of the shipping charges whereas in the traditional shopping there are no such charges. So the retailers should provide the facility of free delivery in order to create excitement among non-users. And also to have positive impact on buying behaviour towards retail marketing the retail marketers should generate positive trustworthiness, security and weighs.

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