



STUDYING ABOUT CONSUMER BUYING BEHAVIOR IN REFERENCE TO ORGANIZED RETAILING

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ABSTRACT

The organized retail sector is growing at a rapid pace across states in India and is the prime driver of impulse buying by youngsters and individuals with substantial salaries. Most buying takes place during weekends at these stores; this was not seen in the previous periods. The research study was conducted to find the impact of effective Visual Merchandising (VM) on the impulse buying behavior of customers at various retail stores in Andhra Pradesh. The objective of this study is to provide some insight into various segments of the Indian organized retail sector - employment opportunities, education profile of employees across states, skill gaps, work force distribution - and to find the satisfaction attributes of customers at organized retail outlets, and most importantly, how VISUAL MERCHANDISING is affecting impulse decisions of the customer. In this study, we used various questions on lifestyle attributes and satisfaction with life scale variables for collecting information, and tried to study their effect on customer impulse behavior. A survey of 600 retail customers was done and results interpreted in this paper.

Keywords:- Retailer, Behavior, Store, Consumer, Customer

I. INTRODUCTION

The various in-stores attributes of the organized retail stores are discussed in this section. Promotional strategies are very crucial for the retailers as they try to make their promotions more effective and gain a competitive position in the market place. Sales promotion comprises a wide variety of short-term tactical promotional tools designed to generate an immediate market response.

In the last few decades, the budget of many consumer goods manufacturers has undergone a dramatic shift, with lot of money being spent on sales promotions than on advertising. The

significance of product display area in self-service stores stems from the importance of physical product exposure as a sales stimulus. Most retail stores employ product displays to attract the attention of potential buyers and stimulate their demands for goods. The more space allocated to an item, the more likely it is to be purchased. This is particularly true in case of items that are likely to be purchased on impulse. Some of the buyers are brand indifferent and would substitute brand A for B. The brand switcher perceives no differences between brands and disregards those disparities which do exist. Everyone is a consumer and tends to consume things everyday based on his/her needs, likes and buying capacity.

II. VALUE CHAIN ANALYSIS OF RETAIL OUTLETS

The value chain analysis is an important strategy and forms a critical part of the retail operations of any store. It consists of various steps like sourcing goods, managing inventory, taking stock of the store operations, setting up a proper display and selecting the right promotional mix and marketing strategy, taking stock of sales – product wise and amount wise - and also maintaining an effective after-sales service.

Generally retailers procure their selection of goods from distribution agents or manufacturing companies, and sometimes even resort to backward integration to manufacture their own store branded products. To maintain their inventory, retailers generally have national warehouses where they stock goods and transfer them to regional warehouses based on the demand for those goods. When it comes to marketing, store managers try to identify the various segments that they can and should target for improving the store sales through effective visual merchandising and proper designing of the store with suitable product advertisements and through successful brand promotions.

The store managers try to convert people visiting the store to customers by providing good facilities inside the store, and training the store employees to guide and help customers in choosing their goods when needed. For retaining old customers and developing new customers through positive word-of-mouth, retailers now provide a separate and effective customer sales service help desk which offers attractive return options for rejected goods or exchange options as well as guarantees or warranties for almost all goods at the store, except consumables.

In India, some states allow multi-brand retail while others don't allow this due to regional considerations.

III. RESEARCH METHODOLOGY

The validity of any research depends on the systematic method of collecting data and analyzing the same in a logical and sequential order. In the present study, an extensive use of both primary and secondary data has been made.

Sampling design and technique

The Universe in the present study comprises of the consumers who purchase at the organized retail stores in Warangal. The size of the sample was 100 respondents. These samples were carefully selected by the researcher from those who purchase from organized retail stores in all locations of the study area. Both primary and secondary data were used in the study for analysis. For collecting primary data, the field survey technique was employed. A well framed questionnaire was also used to collect the primary data. The Warangal has been selected based on the convenience sampling for collecting the data. Firsthand information pertaining to the consumers' buying behavior and their preference for shopping in different organized retail stores were collected from respondents.

Frame work of analysis

By virtue of the mass of data obtained from research survey, as well as from data of the secondary sources collected and presented in the report, a descriptive and an analytical research is considered most appropriate for the study. The researcher used closed-ended and open-ended questions in the questionnaire to collect the primary data.

Primary data

In order to fulfill the objectives set, the primary data was collected in the form of responses from consumers of organized retail stores in Warangal. The consumers are the respondents who provide information regarding their understanding, experiences, opinion, and perception towards the marketing practices adopted by organized retail stores.

The study was undertaken by using a well framed questionnaire that was duly filled by the respondents. The respondents were selected with varying background based on the aspects like their age, gender, educational qualification, occupation, monthly income level, marital status, type of family, family size and so forth, in the areas of twin cities. A noteworthy feature was that the respondents filled the questionnaire with much zeal. This was due to the high level of literacy among the respondents and the researcher's rapport established with them.

Secondary data

Be it any research, a researcher must be aware of the value of secondary data. The secondary data provided the researcher with information regarding the activities, the scope and the opinions of other researchers and experts in the initial stages. The data further guided the researcher in defining the variables of the study and also identifying the classes of the stakeholders involved. The secondary data provides useful and necessary information supplementing the qualitative aspects of research findings. For this purpose, the secondary data was collected from all associated sources that include books on marketing, retailing and consumer behavior, research

journals, magazines and periodicals, internet web sources and libraries of reputed universities, institutes in and around Telangana State.

Statistical tools used for analysis

The difference in the extent of utilizing the retail stores among the different types of consumers based on their age, gender, educational qualification, occupation, monthly income level, marital status, type of family, family size, awareness, period of visiting the retail store, frequency of visit, purchase range and mode of payment is studied by means of Percentages, Averages, Two-way tables and ChiSquare test.

IV. DATA ANALYSIS AND INTERPRETATION

The data collected is tabulated in Table-1 on demographic characteristics of the respondents.

Table-1 Demographic Variables

	No. of Respondents	%
Gender		
Male	39	39.00
Female	61	61.00
Age		
20 years and below	06	06.00
21 to 30 years	22	22.00
31 to 40 years	32	32.00
41 to 50 years	26	26.00
Above 50 years	14	14.00
Marital Status		
Married	77	77.00
Unmarried	23	23.00

Education		
Illiterates	02	02.00
School level	20	20.00
Inter/Diploma/ITI	25	25.00
Graduate	32	32.00
Post Graduate	21	21.00
Occupation		
Unemployed	08	08.00
Agriculturalist	02	02.00
Self Employed	22	22.00
Pvt. Employee	54	54.00
Govt. Employee	14	14.00
Family Size		
Up to 3 members	22	22.00
4 to 5 members	62	62.00
Above 5 members	16	16.00
Type of family		
Nuclear	71	71.00
Joint family	29	29.00

Source: Primary Data

V. CONCLUSION

The root of the study is that most of the customers prefer purchasing from organized retail outlets. Also, most of them are satisfied with the quality of service, price and product range of the goods provided by organized retail outlets.

Satisfaction of consumers in retail service is an important criterion for a marketer to understand for further strategic decision. This study also reveals that the customers prefer organized retailing over unorganized retailing, due to which the organized retailing become a threat to the unorganized outlets.

The research is made to get the limited inputs on consumer behavior towards retail outlets shopping. In the given scope of study, it can be concluded that most of the consumers prefer the organized retail outlets than the unorganized retail outlets. Also, the basis of selecting the products in the shopping is based on quality of products. Consumers, both male and female, do not differ in spending patterns. Most of the consumers are also inclined towards physical shopping than the virtual shopping. It can be concluded that retail outlets should act smartly to provide the needs of the consumers as per their preferences and tastes. Also, the companies should produce the goods with good quality and reasonable price so as to attract more consumers for buying in retail outlets.

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