

A STUDY ON BUYING BEHAVIOUR OF INDIAN CONSUMERS REGARDING SHOES

Prof R. Sudhakar*

Suraj Kumar Singhania**

Akshaya Iyer**

Avnish Kesarwani**

Abstract

Over the past decade competition has increased significantly. Globalization has induced the entry of companies like Adidas, Nike and Puma to Indian market. This paper will highlight the adaption status of consumer to these brands and other existing brand in the country. The objective is to identify consumer choice in various product categories and correlate what features is motivating their clients to walk in their store. The study examines brand origin concept in shaping Indian consumers preference, the paper will determine what marketing tool and mix the companies are using to promote their brand name in market. The research is guided with a tested result of 100 responses across the country and was analysed using simple regression and descriptive technique. At present Indian market is price sensitive and consumers are experimenting as which foreign brand do they like the most.

Finding suggests that brand name plays a significant role in enhancing youth market in India. Some hypothesis is drawn about consumer choice and fast changing preference of Indian market, their buying attitude is it with brand label or not.

Research implication – This study would help the managers for devising a combine strategy for both type of gender. The research survey is basically conducted within the age group of 18 – 25 who have greater exposure to brands. Therefore the study can be generalized to analyse the purchasing pattern of all socio – economic class people.

Keywords: Buying behaviour, Brand, Consumer behaviour, India, Retail, Sales Promotion.

* V.I.T Business School

** Vit University Students

Vit University, Vellore Tamil Nadu

Introduction

India is standing on the threshold of a retail revolution and witnessing fast changing retail landscape. With the increasingly spread of westernization in south Asian countries, India is experiencing a tremendous growth in people going for branded products. Hence we are likely to observe a phenomenal growth in coming years in the shoe market for different brands like Nike, Adidas, and Puma etc. Besides, the ongoing financial crisis and the huge economical debts are unlikely to have any significant impact on the Indian footwear market as the demand for Indian footwear will continue to grow with modernization.

Demand for high quality footwear produced in Europe and other parts of the world is expected to slow down as people will look for medium or economy products. Now the situation had become more brighter for Indian Leather goods and footwear products. since India along with China is the main supplier of low end shoes. China's problems are increasing due to rising labor cost, which has risen considerably since the past 4-5 years. Chinese products, which used to be cheaper by around 10% compared to the Indian goods.

Analyzing these conditions India footwear will be dominating and will play a major role in Mid and economy foot wear products.

Current scenario many countries like European producers who use to procure from china is procuring from India due to price factor. Nike, Adidas and Puma and many other footwear majors are now routing parts of their production and purchase out from China to India hence the reduction in prices of branded foot wares.

This report provides extensive research and in-depth analysis on the various trends in Indian Footwear Sector, i.e. how various Consumers in various age groups react to the various changes in the market with our main focus being on the age group of 20-30 as they represent the most active customers and are most sensitive to different changes in the market and are the major targets of different strategies by the company. The detailed data and analysis based on the survey conducted will help us and the company in noticing the latest trends prevailing and devising new strategies accordingly.

OBJECTIVES

- To find out the buying behavior of shoes
- To find fast moving company in the survey
- To find out reasons for fast moving
- To find out suggestions and opinions from the customers.

Literature Review

Country of origin (CO) effect was recognised as an important phenomenon in international trade in early 20th century (Peris et al., 1993). It has drawn great attention in the consumer buying behaviour literature since 1960s (Schooler, 1965).

However, there are few empirical studies evaluating the importance of brand origin. India is having more population ranked 2nd in the world and as a huge growing nation, India culture varies more from the West culture. India consumers demonstrate different perhaps unique purchasing behaviour due to these differences. Due to various culture in India, it is not surprise to see cycles, scooter, rickshaws and a BMW car travelling on the same roads in India. New generation of young Indians are struggling to embrace Western consumerism against the values of self-denial embodied by Mahatma Gandhi (Dhillon, 2005). It is therefore critically important to understand consumer perceptions in such a vast, diverse and growing market. Indian consumers are influenced by the presence of brands from different countries.

In India consumers' shopping behaviour is affected by demographic factors such as generation gaps, mixed gender. More women concentrate more on shopping products, pattern of purchase and it has changed mostly. Women prefer a wider range of brands so that they can compare different brands before making a choice (Sinha et al., 2002). Approximately 54 percent Indians are around 25 years age and there is huge scope for penetration. These studies provide insights into Indian consumers' shopping behaviour and their brand consciousness, highlighting that their brand preferences vary across rural and urban areas and different product categories and domestic and foreign brands. Some studies show that Indian consumers' preference for foreign brands is growing and that children and women are emerging as key decision-makers.

Studies have shown that consumers make use of affect and cognition in their buying decisions (Mittal, 1994). When consumers are faced with a complex situation, the immediate reaction could be automatically based on the holistic perspective and affect (Scarabis et al., 2006). Pham (2004) in his study showed that affect can be interpreted differently in different situations depending upon what people are trying to answer at the time of judgment. Affect plays an important role in attitude formation (Kim et al., 1998) this is also shown in a study in context of emotional advertisements and attitude formation.

kumar et al. (2007) and Bandyopadhyay and Banerjee (2008) based on a primary survey of consumers in Ahmedabad and Calcutta in India; highlighted that country-of-origin is an important determinant of consumers' shopping behaviour and products of advanced countries enjoy positive country-of-origin effect. Foreign products are not perceived differently even if they are manufactured domestically. Gupta and Singh (2007), show that brand loyalty and preferences for brands are strongly linked in India. Indian consumers are also price sensitive (Joseph and Soundararajan, 2009; McKinsey & Company, 2008). In a survey of 32 villages, Kumar and Bishnoi (2007) found that rural consumers are willing to buy a variety of products

and brands if their prices are lowered in the future. The study (SoumyaSaha, MunmunDey and Sumanta Bhattacharyya, 2010) attempts to analyze the factors influencing the purchase decision of shoes. Various personal buyers consider various factors into consideration while purchasing any product. The majors importance wer give for the four groups - product, price, place and promotion. This study found that the importance assigned to the different factors vary across gender and income. Dwivedi's (2002) said that some countries may have vast potential in the production of some goods while it may be severely handicapped in manufacturing other goods. The mismatch distribution of available resources and technology necessitated the countries depending on each other in all give and take policy for goods.. All Countries are concentrating more on international markets for obvious reasons; most domestic markets now offer limited opportunities for expansion.

Research Methodology

In the previous sub section we have seen how different brands evolve and have adapted the changing face of Indian market to attract the attention of customer towards their product and services. Ever since 1991 Indian economy have seen flexible and people have adapted to many options to identify which product suits their style, fashion and most particularly whether it is in their budget or not. Factors such as quality, reliability, store access, promotion, brand name, status, price and satisfaction are highly deciding points which determine the consumer choice of preference. Hence it is very important to understand same in the context of Shoe Industries in Indian Subcontinent. The nature of Indian customers and their perception about brand plays a determining role in defining future sales and survival of the company in market. This analysis has been done by conducting a questionnaire based on open ended questions

Overall there are 19 questions designed according to the requirement. As the size of market is relatively huge, this questionnaire was circulated among 182 customers from different societies in India. The choice of people is purely done on a random basis. The reason for the same is that, this research can't be biased with a particular set of people on any basis hence giving the research, the potential to make an impact on the companies wherever necessary. Also, it is very important to note that Indian market is evolving, needs are changing, people response is differing from time to time such as people meaning for fashion in 90s is not same as in 2013. Therefore it is very important to understand their perspective and more significantly these shoes companies which are discussed in the research proposal is not operating in a particular region but they have their coverage in almost every single place in India. This research is targeted to provide this Shoes companies with some relevant facts as what do people prefer and what do they dislike in the particular company, it will provide a platform for the companies to understand the level of satisfaction among people about their brand. Also, this research is targeted to improve their future performance and level of quality they are offering now. The questionnaire of the research has been designed in the following manner to follow the research objective:

Gender

Female : 62

Male :120

The survey been done among 62 female and 120 male

Age range of customers

17-19 : 22

19-21 : 125

21-25 : 26

25& up : 9

From the above majority are from 19-21 years group i.e 125 respondents followed by 21-25 26 respondents.

So the survey will highlight the 19-21 age group feedbacks more.

Educational background

High school : 6

Graduation/ diploma : 98

Post-graduation : 52

Doctorate : 26

Majority of the customers are from graduation background 98 respondents followed by post graduation 52 respondents.

Which type of shoes do you like to wear

Sneakers : 22

Soccer Shoes : 26

Sandals : 32

Boots : 26

Slippers : 76

From the above slippers customers are more 76 respondents prefer to wear followed by sandals 32 respondents and so on

price range of shoes

Rs 1000 – 2000	:	132
Rs 2000 – 4000	:	36
Above Rs 4000	:	14

From the above 132 respondents falls in Rs.1000-2000 category followed by 36 respondents Rs.2000-4000 category.

Frequency of shoe purchase in one year

0-2	:	155
2-5	:	14
More than 5	:	13

From the above 155 respondents purchase shoes 0-2 times followed by 2-5 times by 14 respondents

What is your shoe size

< 6	:	4
7	:	77
8	:	91
9	:	6
10& up	:	4

91 respondents shoe size is 8, seventy seven respondents shoe size is 7 followed by 6 respondents shoe size is 9.

Most preferred color of the shoes

- a. Black : 44
- b. White : 31
- c. Red : 9
- d. Brown : 14
- e. Blue : 66
- f. Pink : 6
- g. Other : 12

66 respondents preferred Blue as their favourite color, 44 preferred black color and so on

Where do you buy the shoes

shop : 102
Online : 56
Both : 24

102 respondents preferred shoes from shop, followed by online purchase by 56 respondents and so on.

Preferred brand of shoes

Nike : 42
Converse : 25
Adidas : 32
Puma : 29
Reebok : 43
Other : 11

Shoe been clean every week

Once : 49
Twice : 53
Daily : 67
Not at all : 13

What attracts your attention first while searching for shoes

Color : 37
Style : 31
Brand : 54
Features : 52
Other : 8

Time taken to choose the shoes

15 minutes : 18
 30 minutes : 26
 1 hour : 82
 2 hours and more 56

What do you do with your old shoes

Keep them forever : 14
 Throw them : 108
 Give them to anybody : 34
 Don't care about them : 26

Reasons for purchasing Branded shoes

Quality : 68
 Comfort : 46
 Style/ design : 11
 Social status : 24
 Reliability : 33

Scale Measurement of company's features

Brand	Product quality	Advertisement/ promotion	Comfort	Style/ design	Social status	Durability	Finishing
Adidas	72	54	66	52	64	74	74
Puma	54	38	42	59	32	43	67
Bata	47	77	65	43	27	66	59
Woodland	91	77	82	77	89	77	88
Nike	76	77	76	88	84	77	76
Reebok	84	87	90	79	85	87	91
Other(please specify the name)	77	3	72	74	4	66	78

From the above Reebok companies scale is better than other companies in product quality it scored 84, advertisement/promotion it scored 87, comfort 90, style/design 79, social status 85, durability 87 and finishing 91

What will be the score for your last shoe you used

- On scale of 1-5
- Scale 1 : 12
- Scale 2 : 26
- Scale 3 : 39
- Scale 4 : 54
- Scale 5 : 46

When you buy shoes do you look for comfort or just for looks?

- Comfort : 46%
- Looks : 38%
- Both : 16%

Analysis

The study reveals that there is a very tight competition prevailing in the market. Players like Nike, Puma and Reebok seems to be dominating the market. Most of the respondents who participated in the survey response suggest that style and brand is the most influencing factor which tails them to shops. As most of the respondents belong to youth age group between 20 – 25 years they suggested that while they are deciding to make any purchase, initially they do a pilot searching on internet and after conforming the size and colour availability they go out for shopping.

Buying shoes have become a fashion statement for the students and go prefer to shop foreign brand such as Nike and Reebok to maintain their status among their friends and relatives. They said they prefer light weighted and stylish shoes for their daily walking. Most of the people in survey response reflected comfort and design is most important factor for them for choosing shoes. This is the most crucial point which is beating Indian Shoe companies such as Bata, Liberty, Paragon and more. Indian companies are more focused on hard leather, they offerings

are few as compared to foreign shoes companies. Range of product display in term of options is very limited when people they go out for shopping in stores like Bata, Liberty while same option is limitless when they go out to shop in stores like Adidas, Reebok, Nike.

Finding

From the above paper the following are the findings:

- Foreign companies are leading the way as compared to Indian companies
- People prefer comfort and design as the most important parameter when they go out for shopping.
- People don't prefer to go for online shopping whereas they prefer to compare prices online and then make their shopping in stores.
- According to people suggestion Adidas is their preferred choice when they go for shopping.
- People are tending to buy foreign shoes because these have given them a social status in the society which they can't get by Indian companies.
- People like options and choices when they go for shopping. They don't want to be limited in choice. Hence it would be a strong fight for the companies to introduce items which are as per their consumer expectation and even it is available in quantity.
- People are attached to brand, they are brand conscious which is ruling their behavior to buy.

Recommendations

The following are the recommendations for the above research

- People now have a lot of choices of brands, hence the company should try innovative strategies to attract the crowd especially the youth who constitute the major part of brand buying in the market.
- Innovative products such as socks free shoes , sweat free soles which keep your legs warm even in summers , acupressure soles for comfort , high grow soles etc should be introduced by branded companies to extend their reach in the market

- Along with the upper and the middle class the companies should start targeting the lower class of people by introducing various clearance sales and discounts and hence create awareness and brand loyalty since they constitute a very wide part of our population.
- Shoes which are comfortable for both indoor and outdoor sports , for gyms,for running etc should be the main target by the companies as the people together are focusing more on health and fitness.
- Companies should manufacture shoes according to different seasons and different climatic conditions.
- Companies should start keeping tracking of products favoured in a region and start making similar products to facilitate the sales.
- Companies should start providing servicing for old and damaged shoes on a larger scale . They should also start creating exchange offers for old products as people's tastes keeps on changing very frequently.

Conclusion

From the above paper we can conclude the following about the trends and competition of different companies in the Indian market:-

- The most important factor which influences the buying behavior is the brand of the shoes along with design and comfort of the shoe.
- The market situation is very tight these days because of too much competition and the frequent fluctuations in the loyalty and taste of the consumer .
- The foreign companies are definitely proving to be ahead of the Indian companies as consumers are starting to believe that foreign products have higher brand value and status symbol compared to the Indian ones.
- Adidas is definitely proving to be a more popular choice among the crowd these days.
- People however modernized they become are refraining from online shopping and mostly sticking to traditional ways of showroom and window shopping.

References

- Wade, R. (2004), "Is globalization reducing poverty and inequality?", *WorldDevelopment*, Vol. 32 No. 4, pp. 567-89.
- Waldo, D. (1968), *TheNovelistonOrganizationandAdministration*, Institute of Government Studies, Berkeley, CA.
- Watson, T. (2000), "Ethnographic fiction science: making sense of managerial work and organizational research processes with Caroline and Terry", *Organization*, Vol. 7 No. 3, pp. 489-510.
- Watt, I. (1957), *TheRiseoftheNovel:StudiesinDefoe,RichardsonandFielding*, University of California Press, Berkeley, CA.
- Weldes, J. (2001), "Globalization is science fiction", *Millennium:JournalofInternationalStudies*, Vol. 30 No. 3, pp. 647-67.
- The "Polanyi problem"
- Zizek, S. (2006), "Nobody has to be vile", *LondonReviewofBooks*, Vol. 28 No. 7, available at: www.lrb.co.uk/v28/n07/zize01_.html (accessed 1 August 2006).
- Onlinereferences
- www.happymagazine.co.uk (2006), available at: www.happymagazine.co.uk (accessed 15 February 2006)
- www.stuffmagazine.com (2006), available at: www.stuffmagazine.com (accessed 2 March 2006)
- Singh, M. and Kaur, H. (2010), "Emerging dimensions for foreign direct investment in retailing in India", *InternationalJournalofBusinessEconomicsandManagementResearch*, Vol. 1 No. 1, pp. 155-70.
- Sinha, P.K. and Kar, S.K. (2007), "An insight into the growth of new retail formats in India", Working Paper No. 2007-03-04, Indian Institute of Management, Ahmedabad, March, available at: www.iimahd.ernet.in/publications/data/2007-03-04_PK_Sinha.pdf (accessed May 21, 2011).
- Sinha, P.K., Banerjee, A. and Uniyal, D.P. (2002), "Deciding where to buy: store choice behaviour of indian shoppers" (Vikalpa) *IndianInstituteofManagement,Ahmedabad*, Vol. 27 No. 2.

- Webster, F.E. (2000), "Understanding the relationships among brands, consumers, and resellers", *Journal of the Academy of Marketing Science*, Vol. 28 No. 1, pp. 17-23.
- Witt, U. (2001), "Learning to consume – a theory of wants and the growth of demand", *Journal of Evolutionary Economics*, Vol. 11, pp. 23-36.
- Further reading
- Ministry of Food Processing Industries, Government of India (2010), *Annual Report: 2010-2011*, available at: <http://mofpi.nic.in/images/ar10-11.pdf> (accessed April 25, 2011).
- Sinha, P.K. (2003), "Shopping orientation in the evolving Indian market" (*Vikalpa*) *Indian Institute of Management, Ahmedabad*, Vol. 28 No. 2, pp. 13-22.
- Tiwari, S. and Mukherjee, S. (2011), "FinMin stands by 9.5% growth forecast", *Business Standard*, May 16, available at: www.business-standard.com/india/news/finmin-stands-by-95-growth-forecast-435714/ (accessed May 21).

