CONSUMERS SHOPPING BEHAVIOR TOWARDS MODERN RETAIL OUTLETS-A STUDY

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Abstract:

Consumer is the focal point in the modern marketing system; around him all the strategies are used to get his partnership. Monitoring the customers in the value chain link like retailing has gained more importance in recent years. Retailing is a business area in marketing which interacts with the end users. Success of retailers lay in the capacity of the retailer in understanding and satisfying customers. Therefore, today, modern organized retailers have devised several marketing strategies for acquiring and retaining the customers. The retail customers are broadly divided in to rural and urban customers. In the present paper an attempt is made to understand the perception of urban customers on organized retailing. The study uses various demographic and psychographic variables for analysis. The opinion analysis of the respondents reveal that the urban customers prefer organized retail organizations in place of traditional because of the variables such as, quality, service, location, and ambiance.

Key words: Urban, Shopping, Modern, Retail, Gender, Demography.

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Introduction:

Shopping is usually a collective act**.** To go from store to store in search of merchandise or bargains. To visit a shop or shops in search of goods with the intention of buying them. Retailers are the part of a dynamic world today. The retailers face a more knowledgeable and demanding consumer. Since, business exists to satisfy the needs of the consumers often have forced retail outlets to change   their formats and product offerings. In recent years large number of organized retail formats continues to exist in most market across India. Modern retailers have changed the range of service and a certain level of customer comfort while shopping. The time required to shop and to travel to a particular location are important factors that affect the consumer's decisions and satisfaction. This has led to the rise of specialist and the increase in the services offered by the retailer. Innovative retailer can now offer their products and services on the internet also.

To offer a large block of common stock, for sale to various parties, most of the time it is done in groups, in families or with friends, much of our consumption is for other people; or we have other people in mind when we're doing it. In the supermarket, we buy for our families. In the high street, teenagers buy the same clothes and music as their peer group. Consumption by children and adults is driven by a sense of what we need to keep our collective lives together; and by the way in which owning the same things as others give us status amongst our peers.

A key challenge faced by the retailer is creating product service which would be successful in the market. An accurate understanding of consumer needs helps the retailers create a product that is likely to be successful in the market. An understanding of the shopping behavior is the starting point of strategy creation. It is not only important to understand what consumers know about a product, but what they do not know .this helps in determining the channels of communication. That needs to be created to cater needs of the consumers. The firms need to study consumers to see how their products are perceived.

Today, with the emergence of large supermarkets, hyper markers and convenience stores and other formats, the retailers are the closest to the consumer. Most modern stores have their own policies services and decide how to influence shoppers. In the age of global manufacturing and selling, the organization may be retail its products in various other regions. The retailer is the first contact point that the consumer has with the product it as given the retailer tremendous power.

Significance of the retailing is prominent not only from its contribution to economic development but by the level of employment generated by the industry. In India, where modern retailing is just beginning to make its presence felt. It already contributes close to 6-7 % of the employment. In the developed markets, organized retail control significantly higher portion of trade in India.

Concept of retailing:

The term retailing is derived from the old French word tailor, which means "to cut off, clip, pare, divide" in terms of tailoring. It implies a first-hand transaction with the customer It was first recorded as a noun with the meaning of a "sale in small quantities. There are varieties of definitions to give the meaning of the term retailing; few of them are given below;

Retailing can be defined as the buying and selling of goods and services. It can also be defined as the timely delivery of goods and services demanded by consumers at prices that are competitive and affordable.

Review of Literature:

Mishra gavrav and seshan radhica (2011) "Emerging retail formats in India: the role of independent retailers "the study touch as traditional and organized retailing. An attempt is made by the authors to endeavors to develop an analytical model to study retailing in India. The study sheds lights on the effect on independent retailers and the survival strategies adopted by them and study also focus on functions performed by channel intermediaries and predicts how the functions will shifts within the retail value chain. Also attain made to five retail sectors including FMCG, Apparel, consumer durables, books and music and jewelers. The present retail formats and the value chain in each of the sectors the study includes by identifying the trends in the Indian retailing sectors and propose a plan India retail format by studying the five sectors.

Berry .l.Leonard (et al) (2002) "understanding service convenience "they focus on the subject of service convenience and its important in service economies" **.** This paper also tries to bring in the limitations in the literature by saying .the consumer convenience strong in certain respects, underdeveloped in other respect gives insufficient attain to treat service convenience construct service goals together into an overall convenience construct . Explicating the dimensions and types of service. Convenience developing the overall model and retail research propositions and presenting directions for further research.

Kline Barbar and wagner janet (1994) '' Information source and retail buyer decision making : the effect of product of product buying experience''. The paper narrates the effect of product –specific buying experience on the mix of information sources in retail buying decision making. Was studies sixty retail buyers completed a decision making task based on a fractional factorial design, compared of eight in formation.. The results of an individual subject ANOVAs showed the dominate information source to be the buyers own knowledge , followed by customer request , selling history ,buyers from similar stores , sales representatives and review and adds in the trade news. A post hoc analysis showed that the number and relative important of information source different by level of product specific buying experience.

Kaul subhashini (2007) Measuring retail service quality :Examining applicability international research perspective in India". The study focus on the service quality is being increasingly perceived as tool to increase value for the consumer and as a means of positioning in a competitive environment to ensure consumer satisfaction, retention and patronage . The existing research indicates that consumer satisfaction and loyalty associated with the stores based on the However, the study addressed the issues of lack of availability of servqual scale to measure the service quality. This study examines the retail service quality scale developed in the use for applicability in India.

Govtam aditya (2007), "consumers! Wakeup, consumer rights, marketing master mind". In this paper highlights most fundamental act of any living being ,it is also a key factor responsible for all economic activities .If a consumer is offered inferior products, if price are pleased with their jobs , and do register a high level of job satisfaction.

Objectives:

The study is conducted with the following objectives

1. To assess the shopping behavior of retail customers on modern retail outlets.

2. To analyze the opinion differences among urban retail customers.

3. To determine the factors influence on customers shopping in modern retail outlets.

4. To understand the shopping preference across different demographic variables.

Hypotheses:

1. Ho: Income has no significant impact on customers shopping preference in modern retail outlets.

2. Ho: There is no significant difference in urban customers buying preference towards modern retail outlets.

3. Ho: There is no significant difference among male and female customers shopping preference towards modern retail outlets.

Research methodology:

Urban disparities are continued to remain among retail customers in India. The present study attempts to throw a light on the behavioral aspects of customers located in urban areas. The study is exploratory in nature intended to uncover the behavioral intention of the urban customers in retailing. Important variables considered for analysis include gender, geographical location, income, frequency of purchase, mode of payment etc. The study is based on both primary and secondary data.

Primary data:

Primary data is collected from the retail consumers in urban areas. The data was collected with the aid of designed questionnaire and interview schedules. The primary data is also collected from the managers, employees and other experts of the selected retail outlets.

Secondary Data:

Secondary data is collected from different sources like books, journals, websites, news papers and published *and* unpublished data of retail firms.

Data of analysis:

Collected data is processed and analyzed with SPSS 19.0. Descriptive analysis like percentage analyses, average and statistical technique like t-test, ANOVA,-test, chi-square-test are conducted for data analysis. Descriptive statistics are used to calculate the spread of the data. The hypotheses are tested with appropriate test statistics.

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Study Results and Interpretation:

Table1: Opinion of respondent towards factor consider in modern retail outlets:

Factors	Frequency	Percentage
Quality	40	25.0
Variety of product	40	25.0
Retail price	5	3.1
Service	40	25.0
Location	20	12.5
Vehicle parking	10	6.25
Exchange of products	5	3.1
Total	160	100.0

Source: field survey (Figures in parenthesis indicates percentage to row/column)

Table No. 1 shows the factors consider by the retail customers for purchasing at modern retail store. As indicated in the above table, 25.0 percent of respondents consider quality of the product, 25.0 percent of respondents prefer service, 25.0 percent of respondents consider variety of products, 12.5 percent of respondents prefer location, 6.25 percent of respondents consider vehicle parking, 3.1 percent of respondents consider retail price, 3.1 percent of respondents prefer exchange of products. It can be inferred from the above table that majority of the urban respondents opined that important factor considered for choosing a modern retail outlets are service, variety and quality of product.

Table 2: Frequency of purchase in modern retail outlets:

	Frequency	Percent
Daily	15	9.37
Once in a week	50	31.25
Twice in week	20	12.5
Once in a Fortnight	35	21.8
Once in Month	40	25.0
Total	160	100.0

Source: field survey (Figures in parenthesis indicates percentage to row/column)

Table No. 2, shows opinions of respondents towards frequency of purchase in modern retail outlets. 31.25 percent of respondents   prefer to purchase once in a week, 25.0 percent of customers   purchase once in month, 21.8 percent of respondents purchase   once in a fortnight, 12.5 percent of respondents prefer to purchase twice in a week, 9.37 percent of respondents purchase daily. It can be inferred from the above table that majority of the urban customers prefer to purchase once in a weak.

Table3: Respondents mode of payment.

Mode of payment	Frequency	Percent
Cash	120	75.0
Pay Through Debit cards	40	25.0
Total	160	100.0

Source: field survey (Figures in parenthesis indicates percentage to row/column)

Table 3 reveals   the mode of payment used by urban customers. As indicated 75.0 percent of respondents pay through cash. 25.0 percent of respondents pay by Debit Cards .It can be inferred that majority of urban customers prefer to purchasing by cash.

Table4: High, medium and low income customer shopping preference

towards modern retail outlets.

ANOVA

Income Groups	Sum of Squares	d.f	Mean Square	F
Between Groups	6320.879	2	3160.440	36.936
Within Groups	13433.896	157	85.566	
Total	9754.775	159		

Source: field survey (Figures in parenthesis indicates percentage to row/column)

Table NO. 4 on the ANOVA reveals the preferences of high, medium and low income customers on organized retail shopping at 0.05 level of significance. The calculated value for the F-test value is 36.936 and the table value is 19.30 at 0.05 level of significance. The calculated value is more than the table value .Hence, it can be concluded that the null hypotheses is

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rejected. Hence, there is a difference between high, medium and low income group of customers shopping preference towards modern retail outlets.

**Table5:Age wise customer shopping preference towards modern retail outlets.**

t-test

Age group	N	Mean	Std. Deviation	t	Sig
Above 25 years	88	46.4318	12.12084	2.578	Significant at 0.05 level
Less than 25 years	72	41.9444	9.32646		

Source: field survey (Figures in parenthesis indicates percentage to row/column)

Table No. 5 reveals the age wise opinions of the respondents. The calculated value for the t-test is 2.578 and the table value is1.96 at 0.05 level of significance. The calculated value is more than the table value .Hence, it can be concluded that the null hypotheses is rejected. Hence, there is a difference among the different age groups in buying preference towards modern retail outlets.

Mean difference of Above 25 years and less than 25 years of respondent's shopping preference towards Modern retail outlets.
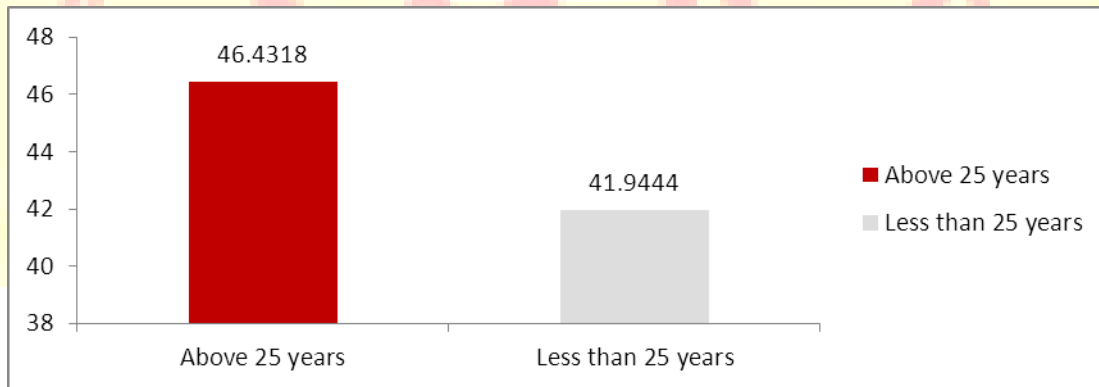
Above the graph reveals the mean difference of more than 25 years and less than 25 years of respondents shopping preference on modern retail outlets. 46.4318 means of more than 25 years respondents more preference on modern retail shops and 41.9444 of means of less than 25 years respondents less shopping preference towards modern retail outlets. It can be inferred from

the above graph that majority of the more than 25 years of customers prefer to purchase in modern retail shops.

Table: 6 Male and female consumer preference towards modern retail outlets

Chi-Square test:

Pearson Chi-Square	d.f	Chi-Square value	Sig
	2	0.025	Not Significant

Table 6 reveals the gender wise opinions of the respondents. The calculated value for the chi-square value is 0.025 and the table value is 3.841 at 0.05 level of significance. The calculated value is less than the table value .Hence, it can be concluded that the null hypotheses is accepted. Hence there is no difference between male and female customers buying preference towards modern retail outlets.

General Opinion of the respondents

During the survey, the following information was provided by the respondents in the form of complaint. The summary of the same is listed below;

1.   Enhance car parking facility.
2.   Prices are not mentioned at all places and on all products.
3.   Prices are not competitive as they are assumed to be higher when consumers are visiting other retail outlets.
4.   Grocery items are not sufficient and they are not at all available at many modern retail shops.
5.   Clothing items of women are priced unreasonably.
6.   Lack of space in the store while shopping and moving within a store.

Summary of Findings:-

(1) The study finds that 25% of respondents prefer to service in the modern retail outlets.

(2) Specially 60% female customer's preference to purchase household items and other items in modern retail outlets.

(3) More than 20,000 income group of respondent's preference towards modern retail outlets.

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(4) 40% of low and medium income of respondents prefers Discounts and promotional schemes in modern retail shops.

(5) Traditional retail outlets losing its identity in the urban areas, because of poor range of products and due to the arrival of the various superior competitors.

(6) 50% of Age Group 25-40 years of respondent's shopping preference towards modern retail outlets.

(7) 75% of respondent's mode of payment for purchasing by cash in modern retail outlets.

(8) 31.25% of respondents their frequency of purchase in modern retail outlets.

(9) 25% of urban respondents most of factors consider, as variety and quality of product and service, in modern retail shops.

Recommendation: -

1. Modern retailers should concentrate more on services.

2. Modern retailer should provide more promotional and discount schemes on various occasions

3. Modern retail outlets should have to increase the range of household items.

4. Customization of clothing should be given an important consideration.

5. Provide Proper packaging.

6. Should provide more festival schemes and at proper time.

7. Should use psychological pricing-more discounts by increasing the price

8. Proper display of all items.

Conclusions:

Organized retailing is booming in India in recent years. It is one of the fast growing sectors among other industries. Indian retailing is a most favorable place for all investors and retailers. Retailers are needed to understand the preference of customers to make the retail strategies. The retailing and retail customers are divided on the basis of nature of retail organization i.e. organized and unorganized and rural and urban customers respectively. According this study the preference of the urban customers on organized retailing is not similar on all the variables of the retail merchandise.

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