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Consumer Purchase Decision Towards Shopping Behavior in Retail Formats in India-An Empirical Study on Hyper-Market in Chennai City

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ABSTRACT

Modernization of the Indian retail sector will be reflected in rapid growth in sale of supermarket, hypermarket, departmental stores and top of all is Malls. So, the organized retailers are trying innovative models and formats to woo the consumers. The researcher thought it would be best to conduct general and convincing research to understand the effect of business practices adopted by hypermarkets on buying behaviour of consumers. The study is also a systematic analysis of different marketing practices adopted by hypermarkets managers. Objectives of this study, To interpret the predominant factors influencing the consumer purchase decision on hyper-market shopping. Methodology of this study, The researcher has adopted Multi-stage sampling technique to collect the required data. The survey was conducted in Chennai City. The study is based on the primary data. The primary data have been collected from consumers of retail outlets in Chennai city, with the help of an Interview Schedule. Reliability analysis used in this study.

Findings in this study, It should also be noted that while a high value for Cronbach's alpha indicates good internal consistency of the items in the scale, it does not mean that the scale is undimensional. Factor analysis is a method to determine the dimensionality of a scale. Suggested in this study, Hyper markets can increase the number of branches to meet the consumer needs. At present the hyper markets are working in district headquarters only. Conclude in this study, The phenomenon of hyper market became a major marketing event in the city of Chennai. The marketing environment has changed drastically with the emergence of hyper market.

KEYWORDS: Consumer, purchase decision, reliability, shopping behaviour

Modernization of the Indian retail sector will be reflected in rapid growth in sale of supermarket, hypermarket, departmental stores and top of all is Malls. So, the organized retailers are trying innovative models and formats to woo the consumers. Consumers are seeking variety, convenience and quality while shopping, be it for grocery, clothes, food, music or even books. Organized retailing which emerged post-liberalization, has made a great impact on the minds of the consumers. To match the consumer needs and demands, the retailers have to come out with various store or retail outlet formats such as convenience store, chain store, franchise, departmental store, specialty store, supermarket, shopping centre, hypermarket, discount store, factory outlet, kiosk and shopping malls.

India has one of the largest numbers of retail outlets in the world. Of the 12 million retail outlets present in the country, nearly 5 million sell food and related products. Thought the market has been dominated by unorganized players, the entry of domestic and international organised Players is set to change the scenario. Retailing is a set of business activities that adds value to the producers and services sold to consumers for their personal or family use. Retailing is becoming a buzzword in the current market scenario. In fact, today retailing is evolving into a global, high-tech business. Retailers attempt to satisfy consumers by selling right product, service, and merchandise mix at right price, at the right place when consumer wants it. Indian consumers are rapidly evolving and accepting modern formats overwhelmingly. Retail space is no more a constraint for growth.

India is on the radar of Global retailers and suppliers brands world-wide are willing to partner with retailers here. Further, with large Indian corporate groups like the Piramals, the Tatas, the Rahejas, ITC, RPG Enterprises, Pantaloons race to revolutionize the retailing sector. Also foreign investor and private equity players are firming up plans to identify investment opportunities in the Indian retail sector. Earlier the retail market was emerged as local baniya and his neighbouhood 'Kirana shop'. These were the common local mummy-daddy or multipurpose utility and were built with the vision of providing convenience at the doorstep of the consumers.

STATEMENT OF THE PROBLEM

Indian hypermarket industry is more vibrant than ever, with major industry players vying for their share in the retail segment. The size and share of Indian hyper market is expected to increase in the coming years, given the strong macro-economic performance, favourable consumption pattern due to growing personal disposable income, rapid development of Tier II and III cities, availability of quality retail space and recent entry of big industrial houses into retailing with focus on large store formats. Having studied the appropriate literature and preliminary data gathered, the researcher thought it would be best to conduct general and convincing research to understand the effect of business practices adopted by hypermarkets on buying behaviour of consumers. The study is also a systematic analysis of different marketing practices adopted by hypermarkets managers. The key questions addressed in the study are: What are the major strengths of business practices adopted by hypermarkets in Chennai city? What are the marketing practices and Purchase decision undertaken by these hypermarkets? Hence the title of the study is ''Consumer Purchase decision towards Shopping Behavior in Retail formats in India-An Empirical study on Hyper-Market in Chennai City.

1.3 OBJECTIVES OF THE STUDY

1. To interpret the predominant factors influencing the consumer purchase decision on hyper-market shopping and
2. To offer a valid suggestion for the hyper-market retailers to understand the behavior of consumer and improve their business.

1.4 HYPOTHESIS OF THE STUDY

The scores of various factors of purchase decision do not differ significantly between low, medium and high groups overall purchase decision of respondents.

1.5. RESEARCH METHODOLOGY

The present study proposes to cover the consumer perception and satisfaction on shopping behavior at hyper-market in Chennai city. As census method is not feasible, the researcher has proposed to follow sampling. The researcher has adopted Multi-stage sampling technique to collect the required data. The survey was conducted in Chennai City. The study is based on the primary data. The primary data have been collected from consumers of retail outlets in Chennai city, with the help of an Interview Schedule. The Interview Schedule has been prepared in a simple way so that the respondent can understand easily and give their opinion freely and frankly. According to the nature of data and interpretations required, appropriate statistical tools been applied. The Reliability Analysis tools have been applied in the study.

1.6. SCOPE OF THE STUDY

Retail outlet is the essence of the brand name for all the consumers and

brings out the exclusivity and uniqueness. In the recent scenario, the popular retail formats, Hypermarkets and Supermarkets are growing at a rapid pace. The extra ordinary growth of Hypermarket and Supermarket centers has provided more space for brands and modern retailers to grow their business especially in the Metropolitan areas. Consumers wanted a better shopping experience and this demand gave rise to the emergence of hyper-market and supermarkets in India.

1.7. SIGNIFICANCE OF THE STUDY

Retail industry in India, is the second largest industry in the world in terms of growth. Retailing is big business in more developed countries and it is better organized in India. Because of the increasing number of nuclear families, growing size of the working women segment, greater work pressure and increased commuting time, convenience has become priority for Indian consumers. They want everything under one roof for easy access and multiplicity of choice.

1.8. LIMITATIONS OF THE STUDY

The research study was confined in Chennai district. Hence, the overview of the study may not hold good for the entire universe. The study is not made for specific hyper-market, the study covers only a top 5 hyper-markets and does not include all the hyper-market in Chennai city. This study specified the opinion on consumer shopping behavior in hyper-market, and the opinion of consumer may not true all the times. The consumer are widely scattered around the city, so the sample selection was done randomly and may not represent the entire population.

1.9 ANALYSIS AND INTREPRETRATION

TABLE – NO.1

FACTORS THAT INFLUENCE THE CONSUMER PURCHASE DECISION AT HYPER-MARKET

Factors	N	Min.	Max.	Mean	S.D
Quality products & symbol	500	1.00	5.00	4.1620	.7855
Good Ambience	500	1.00	5.00	4.0640	.8007
High Public image	500	1.00	5.00	3.9200	.8620
Wide range of products	500	1.00	5.00	3.7540	.9977
Providing value to the customer	500	1.00	5.00	3.7660	1.0026
Security monitoring device	500	1.00	5.00	3.6900	1.0640
Convenient location	500	1.00	5.00	3.6840	1.0461
Attractive discount and offers	500	1.00	5.00	3.6500	1.0927
Store maintenances and service	500	1.00	5.00	3.5480	1.2011
Excellent customer service	500	1.00	5.00	3.6000	1.1553
User-friendly websites	500	1.00	5.00	3.4740	1.1313
Availability of new products	500	1.00	5.00	3.5760	1.1273
Prompt door delivery	500	1.00	5.00	3.5580	1.1668
Cleanliness of the place	500	1.00	5.00	3.6620	1.1843
Price reduction	500	1.00	5.00	3.5700	1.1098
Customer feedbacks	500	1.00	5.00	3.6380	1.1232
Trust of the store	500	1.00	5.00	3.6520	1.0683
Exchanging offers	500	1.00	5.00	3.6780	1.1175
Friendly staff members to help	500	1.00	5.00	3.8060	1.0857
Flexible timing in the store	500	1.00	5.00	4.0440	.9120
Shopping experience/ style image of the store	500	1.00	5.00	4.0320	.8464
Food courts/restaurants in the stores	500	1.00	5.00	4.0580	.9167

The respondents were asked to indicate their opinion in the five point scale for the purchase decision items, arranged as Strongly Agree, Agree, Neither Agree nor Disagree, Disagree and Strongly Disagree. The ratings for each item were assigned as Strongly Agree,-5 Agree-4, Neither Agree nor Disagree-3, Disagree-2 and Strongly Disagree-1. The higher the rating on a particular item indicates that the respondent is more in agreement on that particular item. The descriptive statistics mean, S.D, minimum and maximum were found out for each item and are tabulated in the table given above. It is seen from the above table that all the items were having ratings ranging from a minimum of 1 to maximum of 5. The average rating for all the items varied between 3 and 4. However, the item, 'Quality products & symbol' is found to be the most influencing item on purchase decision made by the respondent with the highest mean rating of 4.16. This shows that the respondents agree on this item, followed by the item 'Good Ambience' with a mean rating of 4.06. The next highest mean value is found for the item 'Food courts/restaurants in the stores (4.058) followed by 'Flexible timing in the store' and 'Shopping experience/style image of the store' with mean ratings of 4.04 and 4.03 respectively. All the other items had mean rating between 3 and 4 showing that the ratings for most of the items on average fall between 'neither agree and nor disagree' and 'agree'. The standard deviations of most of the items centered around one indicating that the variation in the responses varied between a min of 3 and maximum of 5 for most of the respondents.

TABLE – NO.2

RELIABILITY OF SCALES AND ITEM-CONSTRUCT LOADINGS- FACTORS INFLUENCE THE CONSUMER PURCHASE DECISION AT HYPER-MARKET STORE

S. NO	ITEMS MEASURING THE PURCHASE DECISION	SCALE MEAN IF ITEM DELETED	CRONBACH'S ALPHA IF ITEM **DELETED**
1	Quality products & symbol	45.66	0.871
2	Good Ambience	45.60	0.867
3	High Public image	45.50	0.867
4	Wide range of products	45.36	0.866
5	Providing value to the customer	45.44	0.867
6	Security monitoring device	45.28	0.870
7	Convenient location	45.36	0.872
8	Attractive discount and offers	45.10	0.870
9	Store maintenances and service	45.22	0.870
10	Excellent customer service	45.16	0.862
11	User-friendly websites	44.90	0.862
12	Availability of new products	44.86	0.858
13	Prompt door delivery	45.16	0.870
14	Cleanliness of the place	45.12	0.868
15	Price reduction	45.00	0.868
16	Customer feedbacks	45.00	0.867
17	Trust of the store	45.20	0.862
18	Exchanging offers	44.98	0.864
19	Friendly staff members to help	45.06	0.864
20	Flexible timing in the store	45.26	0.871
21	Shopping experience/ style image of the store	45.36	0.863
22	Food courts/restaurants in the stores.	45.40	0.864
	MEAN	47.38	
	STD.DEVIATION	148.20	
	VARIANCE	12.17	
	NO OF ITEMS	22	
	CRONBACH'S ALPHA	0.872	

As shown in Table, coefficient alpha values ranged from .858 to .872 for all the constructs. All constructs obtained an acceptable level of a coefficient alpha above 0.70, indicating that the scales used in this study were reliable. It should also be noted that an alpha of 0.872 is probably a reasonable goal. It should also be noted that while a high value for Cronbach's alpha indicates good internal consistency of the items in the scale, it does not mean that the scale is unidimensional. Factor analysis is a method to determine the dimensionality of a scale. The fair high internal consistency indicates that the above measurement scale is reliable for further analysis.

TABLE NO. 3

RELIABILITY OF SCALES AND ITEM-CONSTRUCT LOADINGS- LEVEL OF SERVICE THAT DETERMINES THE PURCHASE SATISFACTION

S.NO	ITEMS MEASURING SHOPPING BEHAVIOUR	SCALE MEAN IF ITEM DELETED	CRONBACH'S ALPHA IF ITEM DELETED
1	Trustworthiness	18.72	0.713
2	Price	18.52	0.750
3	Ambience	18.88	0.703
4	Hygienic	18.98	0.704
5	Proximity	18.74	0.708
6	Easy	18.62	0.701
7	Quality	18.58	0.724
8	Customer	18.66	0.720
9	Availability	18.34	0.703
10	Variety	18.44	0.742
	MEAN	20.72	
	STD.DEVIATION	22.90	
	VARIANCE	4.79	
	NO OF ITEMS	10	
	CRONBACH'S ALPHA	0.738	

From the table the reliability of scales used in this study was calculated by Cronbach's coefficient alpha. The coefficient alpha values exceeded the minimum standard of 0.70. It's provided good estimates of internal consistency reliability. As shown in Table 1, coefficient alpha values ranged from .701 to .750 for all the constructs. All constructs obtained an acceptable level of a coefficient alpha above 0.70, indicating that the scales used in this study were reliable. It should also be noted that an alpha of 0.738 is probably a reasonable goal. It should also be noted that while a high value for Cronbach's alpha indicates good internal consistency of the items in the scale, it does not mean that the scale is undimensional. Factor analysis is a method to determine the dimensionality of a scale.

SUGGESTIONS TO THIS STUDY

1. In order to satisfy the consumer needs, the hyper markets must have a thorough understanding of how consumer makes store choice and purchase decision. Perceptual mapping of the consumers provide some valuable insights into the process and therefore is useful for the store management decision making. It is important to realize the purchase of products which involves motivational, social, psychological and economic factors. Retail consumers need to understand on a variety of levels.
2. Consumers seek to reduce the risk of their purchase. Hyper markets need to provide information, guarantees and after sales services to reduce the perception of risk. Consumers will go shopping for a variety of reasons. The complexity of the shopping trip per se should clear the staff.
3. Due to maintenance of good quality of their goods, the consumers are attracted by Hyper markets. Hyper markets can increase the number of branches to meet the consumer needs. At present the hyper markets are working in district headquarters only. They should open at taluk headquarters with population of more than 20,000

CONCLUSION

The phenomenon of hyper market became a major marketing event in the city of Chennai. The marketing environment has changed drastically with the emergence of hyper market. Though the phenomenon is of recent origin with a history of a decade and half, it has changed many dimensions of retailing activities in the city. Hence it becomes essential to study the attracted business practices adopted by each hyper market. Over the last 3-4 years, the Indian consumer market has seen a significant growth in the number of modern-day shopping centers, popularly known as hyper market. Rapid advances witnessed by India in areas like education, communication; information technology and transportation have created a sense of freedom in the minds of people. Consumers are seeking convenience at their door step for regular purchases, but are willing to travel to exclusive destination for valuable items. With Indian consumers maturing to self service formats they are relatively less price sensitive than in past.

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