



A STUDY ON BUYER BEHAVIOUR OF HOUSE HOLDS – AN EMPIRICAL STUDY

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ABSTRACT Today's market has witnessed a lot of changes from the past as it is the buyer who dominates the proceedings and they wield enormous powers because of which the shopkeepers are in an unenviable position to search for ways and means to lure them. The monopolistic trends have given way to stiff competition among the various retail formats, bringing cheers to the buyers. The customer who was treated as the 'King' is now almost like God. When consumer expectations become higher, superior market driven strategies or customer driven strategies and their execution in the market have become important. Companies have to be fully customer oriented to succeed in the present competitive scenario, and should 'think customer', 'live for customer', 'smell customer', and 'build customer relations'.

KEYWORDS : Retail, Marketing, Households

Introduction

The Indian consumer has traditionally been a shopper of unorganized retail. Since decades, Indians have been purchasing most of their daily needs from nearby, customer-friendly unorganized retail outlets. Such shops have normally become a part of the life of all customers nearby. These shops extend credit; supply items even in small quantities and deliver the purchases to the individual houses. These practices create a healthy rapport between the shop-owner and the customer. The lifestyle of the Indian urban customer, has been changing dramatically, which can be viewed as a paradigm shift, with increase in double-income households and working women, and very little time being available for leisure, consumers are seeking the convenience of one-stop buying, whereby they could have better utility of time. The present day shoppers particularly those hailing from big cities expect one-stop buying, as they had little time to make purchase of the goods they want. The shoppers give prime importance to services such as short waiting time, safe customer parking, returns, refunds, and exchanges, organized retail appearance, merchandise assortments, friendliness of staff, convenient operating hours, and credit payment. They want buying to be a pleasant experience, a way of entertainment with their families and friends and also want to save precious time. Traditional retailing has been established in India with more than 12 million outlets being in operation for several decades. Consumer familiarity runs from generation to generation for traditional retailing, which is a low cost structure. These outlets are low cost structures; mostly owner operated ones with negligible real estate and labor costs. Such a mammoth retailing structure is not found anywhere in the world. There is paradigm shift in retailing in India, as the traditional retailing has started giving way to organized retailing. The increase in the number of retail chains across the country is an indication that organized retailing is emerging as an industry and will boom in a great manner in the near future. This study made an attempt to measure the shoppers's behavior model for the organized retail sector.

Review of Literature

Pathak and Aditya P. Tripathi (2009) focused on the factors that affect the buyer's decision among the modern retail format and to evaluate the comparative strength of these factors in buying decision of the buyers. The author through factor analysis ranked the driving forces in determining the buying behavior of the customers as price value equation, greed, fear to lose opportunity, entry or demonstration effect, private label brands and live culture. The author concluded that, Indian customers have become more sensitive to quality customer service and status. The customer is ready to pay provided their needs are satisfied. They are basically looking for an experience which is more of cognitive than physical. **Kaberi Bhattacharyya (2009)** in her article views that rural customers usually prefer the traditional retail formats such as tiny village shops and huts for the purchases of specific items of consumption. The researcher observes that the kirana organized retail owner often doubles up as a moneylender. He is ready at hand to be tapped by the poor customer lacking in purchasing power for his immediate need for provision on credit, and also for borrowing money for agricultural or other purposes. This association reduces the

farmer's ability to change over to organized retail organized retails, but instead compels him to remain loyal to the creditor-cum-grocer, even if the products are of sub-standard or uneven quality, and at times even priced higher than justified. **Sukanya Hedge (2010)** in her study analyzed and state that, to become a truly flourishing industry, retailing needs to cross the hurdles as, automatic approval is not allowed for foreign investment in retails, regulations restricting real estate purchases, absence of developed supply chain and integrated IT management, lack of trained work force, low skill level for retailing management, lack of retailing courses and study options, rapid price changes, constant threat of product obsolescence and low margins, retailing in India is thoroughly unorganized. Given the size, and the geographical, cultural and socio-economic diversity of India, there is no role model for Indian suppliers and retailers to adapt or expand in the Indian context. **Krishna Mohan Sharma, Dr.D.K.Dubey and B.D.Pandey (2011)** viewed the customer perceptions of organized retail brands. The objective of the research is, to know the perception of consumers for the private labels. A convenient sampling procedure was used with a sample size of 140 respondents. The findings of the study were, urban shoppers are much aware regarding private label in comparison to rural shoppers. Majority of shoppers were not happy with packaging aspect of private label. There is a significant difference in the quality of national brand and organized retail brands. The study concludes that, customers are well aware with private label specially those who are residing in urban areas and prefer to buy due to price difference and same quality. As for pricing is concerned, which is quite low in comparison to national brands and attractive to shoppers in organized retail and offer multi benefits to shoppers as well as retailers. **Diana Simona Damian, et al (2011)** attempt to determine the impact of anchor organized retails on the performance and results of buying centre and on the prices practiced by other organized retails. It analyses the customer spill-over effect of the anchor organized retails on the Sonae Sierra buying centre. The data collection targeted 35 buying centres in Portugal and Spain with 1,200,000 square feet (or more), for three consecutive years (2005-2007). The ordinary least squares and Kruskal-Wallis statistics are used to test the hypotheses. The empirical analysis shows that a greater presence of anchors in a mall directly increases the sales, and consequently the rents of non-anchor organized retails in a mall. The authors demonstrate that externalities are internalized by efficient allocation of space and incentives across organized retails, and also show that the anchor organized retails increased the malls' customer drawing power, measured as the number of people who visited the mall at a given time, although lately they have had less impact on the sales per person visiting the centre.

Objectives of the study

To reveal a buyer profile based on demographic and psychographic characteristics.

METHODOLOGY

The study is basically an empirical one based on data gathered from the respondents have been chosen for the study in Kerala. A sample of 892 respondents has been chosen for the purpose of the study. For this

study, the researcher used a well-structured questionnaire to collect the data from the respondents. The questionnaire related to demographic and socio-economic characteristics of the respondents of organized retail marketing in the buying behavior of households. The researcher used Percentage analysis to analyze the demographic profile of respondents. IBM SPSS 21 version was used for statistical purpose.

Table 1 Description of demographic and socio-economic characteristics of the respondents

Variables	Description	Frequency	Percentages
Gender	Male	139	15.6
	Female	753	84.4
Age	<20 years	264	29.6
	20-30	404	45.3
	30-40	180	20.2
	>40	44	4.9
Education	Graduate	604	67.7
	Post-Graduate	200	22.4
	Others	88	9.9
Marital Status	Married	364	40.8
	Unmarried	528	59.2
Total family income	Rs 10,000-30,000	256	28.7
	Rs 30,000-60,000	184	20.6
	Rs 60,000-1 Lakhs	80	9.0
	Rs 1 Lakhs-5 Lakhs	264	29.6
	>5Lakhs	108	12.1
Percentage of income spent on buying	<20%	212	23.8
	20%-40%	516	57.8
	40%-60%	100	11.2
	>60%	64	7.2

From the above Table the following inferences were made out of the total sample of 892, 84.4% were female and 15.6% were male. Majority of the respondents were female who constituted the study. Nearly 45.3% of the respondents were aged between 20-30 years and 29.6% of the respondents were below 20 years of age. The majority of the respondents (67.7%) were graduates and 9.9% had school level education and other educational qualification which were clubbed under 'other category' and the remaining 22.4% were post graduates. Hence all the respondents who formed this study were a literate, who has considerable to high level of education to understand the context and content of this research to provide their opinion without any misunderstanding. Out of the total respondents to 40.8% of respondents were married and 59.2% were single either living in a joint or nuclear family type. Minor chunk of the respondents were either bachelors or spinsters resided individually. On the major variable head: Income, it can be viewed that approximately 29.6% of the respondents had an income between Rupees 1 – 5 Lakhs per month. Next to this majority is the respondent having income between Rupees 10,000-30,000 per month, who formed 28.7% of the overall respondents. Nearly 12.1% of the respondents had an income more than five Lakhs per month and 20.6% were in the category of Rupees 30,000-60,000 income level. Instead asking the respondents individual income, this study focused on measuring the total income of the family and that is the cause for the variations across the income category. Next to income category, importance was given to measure the percentage of amount of income spent for buying. Major chunk of the respondents (57.8%) spends between 20%-40% of their salary. Only 7.2% of the respondents spend more than 60% of their salary on buying and only 23.8% of the respondents claimed that they spend less than 20% of their salary on buying.

CONCLUSION

The present study has focused on the buyers demographic profile of the respondents in the organized retail marketing. The growing consuming class coupled with the entry and expansion of organized sector in the recent years has set the pace for the corporate investment in the retail business. Though the Indian retail business looks small, when compared to developed markets, it is attractive enough to invite the attention of the investors. For instance, the south India has been witnessing frenetic activity in households especially the organized living room items segment. The location of the specialty retail and other retail formats assumes significance, as it is paramount important to choose ideal place for starting the operations. Thanks to real estate boom, the prices of the vacant sites have skyrocketed, necessitating huge investment on the land and building. Additional investment is

required for interior decoration and creating a pleasant ambience for luring the consumers. The different features of buying malls, specialty retail and the hypermarkets need to be analyzed in right perspective in order to ensure the patronage of the consumers.

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