



AN INVESTIGATION ON CONSUMERS DEMOGRAPHIC CHARACTERISTICS AND BUYING BEHAVIOR FACTORS TOWARDS ORGANIZED RETAIL

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ABSTRACT

The retail sector in India is witnessing a huge revamping exercise as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores. During recent years, the entire concept of retailing has been redefined in terms of its structure and fundamental changes in consumer behavior on account of demographic, psychographic and socioeconomic factors. The changing pattern of consumer behavior is influencing retailing in India, especially organized retailing. As a matter of fact, personal and social factors such as needs, perceptions, attitudes, interests, opinions, activities and lifestyles mostly influence consumer behavior in a rapidly changing retail environment. The retail sector has witnessed a paradigm shift in Solapur with the presence of retail stores like D-mart, Big Bazaar, McD, Oasis Mall etc. The objective of this study is to find out the relation between consumers demographic characteristics and buying behavior factors towards organized retail.

KEYWORDS

Retail, Organized Retail, Buying Behavior.

Objectives:

1. To study the consumer shopping behavior dimensions.
2. To determine the factors affecting buying behavior of organized retail stores.
3. To examine relation between consumers demographic characteristics and buying behavior factors towards organized retail.

Introduction:

The retail sector in India is witnessing a huge revamping exercise as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores. The Indian population is witnessing a significant change in its demographics. Organized retail is on all time high in India.

Changing income levels and occupation have resulted in a change in the consumer's buying behavior. More urban women are seeking employment resulting in dual income families. This results in more disposable income that in turn spawns consumerism. The focus shifts to convenience and comfort. The size and composition of the shopping basket has changed over time. Today's consumers are looking for shopping convenience and want to have all their requirements under one roof, coupled with speed in the retail store operations. Due to time constraints, families are now looking for 'shoppertainment' – combining shopping with entertainment. This is one of the causes of increased footfalls at malls with multiplexes.

Consumer choices and preferences and overall consumer behavior have always played an important role in shaping market trends and have thus influenced the evolution of organized retailing in India. Enhanced shopping experience, better packaging, hygienic environment and value added services rendered by organized retail stores have raised the expectations of even those consumers who frequent traditional kirana stores.

Review of Literature:

Sanjev Verma (2007) studied Consumer Preferences for Retail Store Selection in Mumbai. The study was undertaken to understand the factors affecting consumer preferences for retail store selection and developing marketing strategies towards meeting the needs and wants of consumers.

Deepika Jhamb and Dr(Ms) Ravi Kiran (2012) in their paper tries to understand the improvement in retail sector in India, especially the

modern retail formats, its attribute, type of goods and impact of consumers demography on choice of emerging retail format. Rituparna Basu and Kalyan Sengupta (2011) studied the attitude of Indian customers towards single brand and multi-brand retail formats. The study reveals that although organized retail is a relatively new concept in the country, a clear cut perception has been established into the minds of the shoppers in urban India. This has been consistently reflected in the behaviors of such shoppers.

Rajagopal (2008) in his "Study on point of sales promotions and buying stimulation in retail stores" analyses buying behaviour in reference to the point of sales promotion offered by retailing firm and the determinants of sensitivity towards stimulating shopping arousal and satisfaction customer in order to build store loyalty have been discussed in this paper. It is found that loyal customers are attracted to the store brands.

Methodology

The study was conducted in Solapur city, Maharashtra State. Solapur was purposively chosen for the study because it is surrounded by many organized retail outlets. The present study identified different factors that could possibly affect the buying decision of in such a scenario. Convenient sampling was used as the sampling technique and a total of 200 responses were collected. A structured pre-tested questionnaire was used as the data collection instrument. Various dimensions were determined by presenting before the respondents. The respondents are requested to give the response according to their preferences which affect their buying at organized retail. Analysis of Variance (ANOVA) was conducted to know significance level between demographic characteristics and buying behavior factors. It is hypothesized in this study significant relationship between Income, Age and Buying Behavior factors. Obtained data through the questionnaire were analyzed using SPSS (20) software package in 95 % confidence interval.

Analysis and Discussion:

H01: There is no significant difference across different Income groups for buying behavior factors.

Ha1: There is significant difference across different Income groups for buying behavior factors.

Table 1- Summary of ANOVA for INCOME with all buying behaviour factors

| Sr. No. | Behavior Factors | Income | N | Mean | Std. Deviation | df | Mean Square | F Value | Sig | Result |
|---------|-------------------------|--------------|------|-------|----------------|----|-------------|---------|-------|---------------|
| 1 | Quality | upto 25000 | 47 | 1.51 | .975 | 4 | 144.772 | 5.315 | .000 | Reject |
| | | 25001-50000 | 196 | 1.29 | .496 | | | | | |
| | | 50001-75000 | 196 | 1.15 | .422 | | | | | |
| | | 75001-100000 | 45 | 1.18 | .387 | | | | | |
| | | above 1 lac | 16 | 1.38 | .619 | | | | | |
| | Total | 500 | 1.25 | .539 | | | | | | |
| 2 | Brand Name | upto 25000 | 47 | 1.83 | .842 | 4 | 229.892 | 3.079 | .016 | Reject |
| | | 25001-50000 | 195 | 1.65 | .660 | | | | | |
| | | 50001-75000 | 196 | 1.51 | .577 | | | | | |
| | | 75001-100000 | 45 | 1.69 | .848 | | | | | |
| | | above 1 lac | 16 | 1.81 | .834 | | | | | |
| | Total | 499 | 1.62 | .679 | | | | | | |
| 3 | Range | upto 25000 | 47 | 1.79 | .778 | 4 | 244.568 | 2.748 | .028 | Reject |
| | | 25001-50000 | 196 | 1.79 | .713 | | | | | |
| | | 50001-75000 | 196 | 1.57 | .633 | | | | | |
| | | 75001-100000 | 45 | 1.71 | .757 | | | | | |
| | | above 1 lac | 16 | 1.75 | .775 | | | | | |
| | Total | 500 | 1.69 | .700 | | | | | | |
| 4 | Quantity | upto 25000 | 47 | 2.15 | .932 | 4 | 394.278 | 1.601 | .173 | Accept |
| | | 25001-50000 | 196 | 1.96 | .893 | | | | | |
| | | 50001-75000 | 196 | 1.87 | .877 | | | | | |
| | | 75001-100000 | 45 | 2.07 | .889 | | | | | |
| | | above 1 lac | 16 | 2.25 | .775 | | | | | |
| | Total | 500 | 1.96 | .889 | | | | | | |
| 5 | Price | upto 25000 | 47 | 1.60 | .742 | 4 | 382.438 | .908 | 0.004 | Reject |
| | | 25001-50000 | 196 | 1.85 | .667 | | | | | |
| | | 50001-75000 | 196 | 1.84 | 1.067 | | | | | |
| | | 75001-100000 | 45 | 1.78 | .927 | | | | | |
| | | above 1 lac | 16 | 1.88 | .719 | | | | | |
| | Total | 500 | 1.82 | .875 | | | | | | |
| 6 | Discounts/Offers | upto 25000 | 47 | 1.85 | .955 | 4 | 347.702 | .073 | .005 | Reject |
| | | 25001-50000 | 196 | 1.82 | .776 | | | | | |
| | | 50001-75000 | 196 | 1.80 | .820 | | | | | |
| | | 75001-100000 | 45 | 1.84 | 1.043 | | | | | |
| | | above 1 lac | 16 | 1.75 | .775 | | | | | |
| | Total | 500 | 1.81 | .835 | | | | | | |
| 7 | Display | upto 25000 | 47 | 1.94 | .942 | 4 | 394.549 | 1.321 | .003 | Reject |
| | | 25001-50000 | 195 | 2.03 | .852 | | | | | |
| | | 50001-75000 | 196 | 1.87 | .859 | | | | | |
| | | 75001-100000 | 45 | 2.11 | 1.027 | | | | | |
| | | above 1 lac | 16 | 2.19 | 1.109 | | | | | |
| | Total | 499 | 1.97 | .890 | | | | | | |
| 8 | Religion | upto 25000 | 47 | 3.32 | 1.446 | 4 | 856.128 | 4.105 | 0.261 | Accept |
| | | 25001-50000 | 196 | 3.82 | 1.311 | | | | | |
| | | 50001-75000 | 196 | 4.09 | 1.239 | | | | | |
| | | 75001-100000 | 45 | 4.18 | 1.230 | | | | | |
| | | above 1 lac | 16 | 3.94 | 1.436 | | | | | |
| | Total | 500 | 3.91 | 1.310 | | | | | | |
| 9 | Tradition | upto 25000 | 47 | 4.02 | 1.170 | 4 | 526.102 | .767 | .547 | Accept |
| | | 25001-50000 | 196 | 4.29 | .987 | | | | | |
| | | 50001-75000 | 196 | 4.19 | 1.044 | | | | | |
| | | 75001-100000 | 45 | 4.24 | .908 | | | | | |
| | | above 1 lac | 16 | 4.06 | 1.181 | | | | | |
| | Total | 500 | 4.21 | 1.027 | | | | | | |
| 10 | Values | upto 25000 | 46 | 1.72 | .807 | 4 | 480.274 | 2.146 | .074 | Accept |
| | | 25001-50000 | 194 | 1.98 | .922 | | | | | |
| | | 50001-75000 | 196 | 2.14 | 1.041 | | | | | |
| | | 75001-100000 | 45 | 2.18 | 1.072 | | | | | |
| | | above 1 lac | 16 | 2.06 | 1.063 | | | | | |
| | Total | 497 | 2.04 | .984 | | | | | | |
| 11 | Habits | upto 25000 | 47 | 2.74 | 1.188 | 4 | 767.398 | .130 | .009 | Reject |
| | | 25001-50000 | 196 | 2.80 | 1.256 | | | | | |
| | | 50001-75000 | 196 | 2.80 | 1.263 | | | | | |
| | | 75001-100000 | 45 | 2.82 | 1.211 | | | | | |
| | | above 1 lac | 16 | 3.00 | 1.095 | | | | | |
| | Total | 500 | 2.80 | 1.240 | | | | | | |

| | | | | | | | | | | |
|----|-----------------|--------------|-----|------|-------|---|---------|-------|------|---------------|
| 12 | Belief Attitude | upto 25000 | 47 | 3.83 | 1.007 | 4 | 628.512 | 1.649 | .161 | Accept |
| | | 25001-50000 | 196 | 3.89 | 1.049 | | | | | |
| | | 50001-75000 | 196 | 3.86 | 1.155 | | | | | |
| | | 75001-100000 | 45 | 3.44 | 1.358 | | | | | |
| | | above 1 lac | 16 | 3.63 | 1.088 | | | | | |
| | | Total | 500 | 3.82 | 1.122 | | | | | |
| 13 | Status | upto 25000 | 47 | 2.02 | .967 | 4 | 526.102 | 4.333 | .002 | Reject |
| | | 25001-50000 | 196 | 2.41 | .991 | | | | | |
| | | 50001-75000 | 196 | 2.02 | 1.007 | | | | | |
| | | 75001-100000 | 45 | 2.36 | 1.111 | | | | | |
| | | above 1 lac | 16 | 2.38 | 1.204 | | | | | |
| | | Total | 500 | 2.21 | 1.027 | | | | | |
| 14 | Lifestyle | upto 25000 | 47 | 2.13 | 1.191 | 4 | 651.088 | 2.882 | .022 | Reject |
| | | 25001-50000 | 196 | 2.41 | 1.103 | | | | | |
| | | 50001-75000 | 196 | 2.04 | 1.109 | | | | | |
| | | 75001-100000 | 45 | 2.38 | 1.319 | | | | | |
| | | above 1 lac | 16 | 2.31 | 1.078 | | | | | |
| | | Total | 500 | 2.23 | 1.142 | | | | | |
| 15 | Personality | upto 25000 | 47 | 1.72 | .826 | 4 | 390.528 | 3.889 | .004 | Reject |
| | | 25001-50000 | 196 | 1.77 | .869 | | | | | |
| | | 50001-75000 | 196 | 1.57 | .811 | | | | | |
| | | 75001-100000 | 45 | 1.89 | 1.092 | | | | | |
| | | above 1 lac | 16 | 2.31 | 1.138 | | | | | |
| | | Total | 500 | 1.71 | .885 | | | | | |

It is inferred from above table that Quantity, Tradition, Values, Beliefs & Attitude, Status and Personality have been found to have similarity in opinion irrespective of age of buyer with the significance value of more than .05. It means null hypothesis have been accepted so there is no significant relation between Quantity, Tradition, Values, Beliefs & Attitude, Status and Personality and age of buyer. So these six factors don't affect buying behavior of customers. However, there is a significant difference of opinion about the other variables under the buying behavior factors. The buying behavior of middle level age class (25 to 45 years) gets affected by Range, Price, Lifestyle while lower age groups (below 25 years) affected by Display, Discounts/ offers whereas higher (more than 45 years) age groups gets affected by Quality, Brand Name, Religion and Habits.

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