

A STUDY ON CONSUMER PURCHASE BEHAVIOR IN ORGANIZED RETAIL OUTLETS IN VISAKHAPATNAM CITY

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ABSTRACT

The retail industry is inclining rapidly in India from past few decades. The Indian retail industry is made out of coordinated and disorderly retail showcases. It has experienced high development in the course of the most recent couple of years with a conspicuous concentration towards coordinated retailing designs. The business is moving towards a cutting-edge idea of retailing. As India's retail industry is aggressively growing itself, incredible interest for retail outlets is being made. Also, simple accessibility of charge/Mastercard's has contributed altogether to a solid and developing retail shopper culture in India. Customers are getting all the more impressive, more proficient and more refined, and examination into present day purchaser conduct is progressively critical for the retailing area. Store attributes are critical to shoppers when they settle on the choice where to shop. Store attributes are introduced by retailers as per their particular useful methodologies. Store attributes should be offered that are wanted by the focused-on shopper. The test to retailers is to figure out which store credits are moderately more imperative to the targeted consumer. This study emphasis on the consumer purchase behavior in Retail sector and results were by primary and secondary sources of data.

Keywords: Organized Retail, Consumer Purchase Behavior, Marketing, Retail Sector.

Introduction

Consumer Purchasing Behavior alludes to the purchasing conduct of a definitive buyer. A firm necessity to investigate purchasing conduct for Purchasers responses to an organization marketing system extraordinarily affects the organizations achievement.

The marketing idea focuses on that a firm ought to make a Marketing Mix (MM) that fulfills (offers utility to) customers, along these lines need to investigate the what, where, when and how purchasers purchase. Marketers can more readily anticipate how shoppers will react to promoting procedures.

It is the cycle by which people search, select, buy, utilize and discard products and enterprises in fulfillment of their requirements and needs. The Management is the most youthful of sciences and most seasoned of expressions and buyer behavior in administration is an exceptionally youthful control. Different researchers and academicians focused on it at a lot later stage. It was during the 1950s, that marketing idea created, and hence the need to examine the conduct of customers was perceived. Marketing begins with the requirements of the customer/consumer and finishes with his satisfaction.

When everything spins round the consumer/customer, at that point the investigation of purchase behavior turns into a need. It begins with the purchasing of products. Merchandise can be purchased exclusively, or in gatherings. Products can be purchased under pressure (to fulfill a quick need), for luxury and comfort in little amounts or in mass. For this, trade is required. This trade is normally between the merchant and the purchaser. It can likewise be between customers. In basic words, purchase behavior can be characterized as the arrangement of exercises and activities of buyer in buying and utilizing merchandise and enterprises. Nonetheless, it includes an investigation of purchasing intentions to look at the determination rules of the customers for the items they pick and what propels them to carry on as they do in the commercial centers. It centers around how people settle on choices to invest their accessible assets like energy, cash and exertion on utilization related things.

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Review of Literature

Gomathi et al. (2013) examined the customer disposition towards departmental stores of coordinated retail outlet in Dissolve city. The inclinations of the purchasers plainly show the significance of ad in affecting their buy, the extra offices expected, improvement expected in taking care of faulty products and some more. They broke down the mentality of the shopper towards departmental stores. The outcomes may help the administration of departmental stores to comprehend the elements that impact the mentality of shoppers towards departmental stores, so they can execute the prerequisite of the customers and be effective in the arising retailing climate.

Brijesh and Ashish (2013) discovered the components influencing the consumer loyalty of coordinated retail locations. Consequence of factor investigation showed that five factors in particular 'product convenience', 'employee service', 'shopping convenience', 'physical features and 'pricing' had prompted the consumer loyalty of coordinated retail locations. Discoveries likewise proposed that 'shopping comfort' strongest affected fulfillment, while 'actual highlights' had no effect on fulfillment. From the outcome, it has been inferred that consumer' of Surat city were happy with the coordinated retail locations.

Dineshkumar and Vikkraman (2012) noticed that customer satisfaction was broadly perceived as a critical pressing factor in the arrangement of shoppers' future buy aims. Fulfilled customers were additionally prone to share others of their good encounters and hence participate in sure informal publicizing. It meant to explore consumer loyalty in the coordinated retail outlets in Disintegrate city of Tamil Nadu State in India. The targets were to recognize the determinants of consumer loyalty in the coordinated retail outlets in Disintegrate city, to distinguish the demeanor and conduct of the clients the individuals who were buying in coordinated retail outlets and to learn about the future possibilities of coordinated retail outlets in the city. Consumer loyalty was a critical subject for most advertisers.

Objective of the Study

- To identify the need for studying Consumer Purchase Behavior.
- To understand the Indian Retail Store and Consumer Purchase Behavior through demographic factors.

Hypothesis of the Study

H_{o1}: Demographic factors do not have an influence on consumer purchase behavior in organized retail outlets.

H_{o1A}: Age does not influence the no. of years a customer purchases from the same retail outlet.

H_{o1B}: Age has no bearing on the income level of the customers.

H_{o1C}: Age has no bearing on the education qualifications of the customer

H_{o1D}: Age has no bearing on, if the customer shops alone or with a companion.

H_{o1E}: Age has no bearing on domicile status of the customer.

Research Methodology

- **Data:** Primary data is the responses collected through a questionnaire from the customers visiting to different malls in Visakhapatnam city.
Secondary data is collected from books, internet and journals
- **Tools and Techniques:** The data analysis techniques have been used as:
Chi Square, Regression analysis, Factor analysis
- **The Questionnaire:** The questionnaire includes variables measuring characteristics attributed to the strategic growth of retail malls and served to 600 customers and questions were in 5-point likert scale.
- **Samples:** 600 customers and 14 were rejected for some short of lacking in opinions

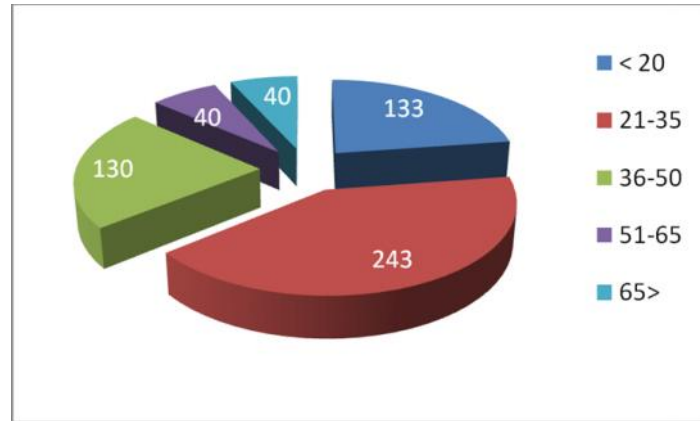
Limitations of the Study

- Time is the greatest limitation to explore all aspects of consumer purchase behavior
- The present study was confined to the respondents (consumers and retail malls and super market) of Vishakhapatnam city only.
- The present study is limited to only five product categories, viz., apparels, accessories, home décor, electrical appliances and toys.

Data Analysis and Interpretation

H₀₁: Demographic factors do not have an influence on consumer purchase behavior in organized retail outlets.

Figure 1: Demographic Analysis of Customers



Sources: own compilation

Figure 1 highlights the age wise classification of respondents of different organized retail outlets of Vishakhapatnam city. Most of the respondents were from 21-35 years of age, i.e., 41.47 percent followed by below 20 years of age and age group of 36-50 years. So the least number of customers was in the age group of more than 65 years, who were interested to shop from organized retail outlets.

Purchase Experience and Age

H_{01A}: Age does not influence the no. of years a customer purchases from the same retail outlet.

Table 1: Cross tabulation on Purchase and Age

Purchase Experience		Age					Total
		< 20	21-35	36-50	51-65	65>	
Below 6 months	Count	5	12	25	11	5	58
	% within purchase	8.6%	20.7%	43.1%	19.0%	8.6%	100.0%
<1 year	Count	56	76	39	12	12	195
	% within purchase	28.7%	39.0%	20.0%	6.2%	6.2%	100.0%
<5 years	Count	4	11	11	1	1	28
	% within purchase	14.3%	39.3%	39.3%	3.6%	3.6%	100.0%
8 years and Above	Count	68	144	55	16	22	305
	% within purchase	22.3%	47.2%	18.0%	5.2%	7.2%	100.0%
Total	Count	133	243	130	40	40	586
	% within purchase	22.7%	41.5%	22.2%	6.8%	6.8%	100.0%

Pearson Chi-Square =50.890^a, df=12 sig =.010

Sources: Compiled data

Table 1 indicates the results of cross relation measurement of the age of the customers in relation to their purchase experience. The purchase trend has been categorized as below 6 months, less than 1 year, less than 5 year and 8 years and above. This relation indicates the age wise purchase of the customers. Out of 586 customers, maximum of 305 customers are having purchase experience of 8 years and above of which around 47.2 percent of them belong to the age group of 21-35 years. Only 28 customers are in the group of less than 5 years purchase experience. A single customer in the both the age group of 51-65 and above 65 years is found to be the customer of retails since last five years. So it is observed that in the total sample, the respondents of the age group 21-35 years are the repeat customers with maximum purchase experience, whereas the minimum number of purchase experience is marked at the age group of 56 years and above.

The chi-square value is 50.890 with 12 degrees of freedom. Since the chi-square value is more than the table value and is significant at $p = 0.01$ the null hypothesis is rejected and the alternative hypothesis is accepted.

Income and Age

H_{01B}: Age has no bearing on the income level of the customers.

Table 2: Cross Tabulation on Income and Age

			Age					Total
			<20	21-35	36-50	51-65	65>	
Income	Less than Rs.1,00,000	Count	89	108	86	21	13	317
		% within Income	28.1%	34.1%	27.1%	6.6%	4.1%	100.0%
	Rs.1Lakh -Rs.3Lakh	Count	35	86	36	17	20	194
		% within Income	18.0%	44.3%	18.6%	8.8%	10.3%	100.0%
	Rs.3Lakh -Rs.5Lakh	Count	7	32	6	2	3	50
		% within Income	14.0%	64.0%	12.0%	4.0%	6.0%	100.0%
	Rs.5Lakh - Rs.7Lakh	Count	1	9	2	0	4	16
		% within Income	6.3%	56.3%	12.5%	.0%	25.0%	100.0%
	More Than Rs.7Lakh	Count	1	8	0	0	0	9
		% within Income	11.1%	88.9%	.0%	.0%	.0%	100.0%
Total	Count	133	243	130	40	40	586	
	% within Income	22.7%	41.5%	22.2%	6.8%	6.8%	100.0%	

Pearson Chi-Square Value =54.748^a df =16 sig. =.000
Sources: Compiled data

Table 2 indicates the results of cross relation measurement of the age of the customers in relation to their income level. This relation indicates the age wise income of the customers. Out of 586 respondents, maximum of 317 respondents are earning income less than Rs.1, 00,000. No customers are found to be in the age group of 36-50, 51-65 and above 65 years are having income more than Rs.5 lakhs. The earning of 108 customers in age group of 21-35 years are found to have income more than Rs100000 followed by the customers of the less than 20 years of age group. So, it is concluded that the most preferred age group is taken as 21-35 among all the age groups, whereas the age group of 56-65 and above 65 years have low income than other groups.

The chi-square results depicted as 54.748 which indicate wide difference as it is more than the table value with degree of freedom of 16 and with p value being highly significant.

Education and Age

H_{01C}: Age has no bearing on the education qualifications of the customer

Table 3: Cross Tabulation on Education and Age

Education			Age					Total
			<20	21-35	36-50	51-65	65>	
Upto higher secondary	Count	38	26	26	9	3	102	
	% within Education	37.3%	25.5%	25.5%	8.8%	2.9%	100.0%	
Graduate	Count	34	103	37	12	12	198	
	% within Education	17.2%	52.0%	18.7%	6.1%	6.1%	100.0%	
Post graduate	Count	9	1	15	7	7	39	
	% within Education	23.1%	2.6%	38.5%	17.9%	17.9%	100.0%	
Professional/ Technical Degree	Count	45	111	49	12	17	234	
	% within Education	19.2%	47.4%	20.9%	5.1%	7.3%	100.0%	
any other	Count	7	2	3	0	1	13	
	% within Education	53.8%	15.4%	23.1%	.0%	7.7%	100.0%	
Total	Count	133	243	130	40	40	586	
	% within Education	22.7%	41.5%	22.2%	6.8%	6.8%	100.0%	

Pearson Chi-Square Value =74.664^a df =16 sig. =.000
Sources: Compiled data

Table 3 indicates the results of cross relation measurement of the age of the customers in relation to their Education qualification. The Education has been categorized as up to higher secondary, Graduate, Post graduate, Professional/ Technical Degree and any other. A maximum of 234 customers are found to be qualified Professional or having Technical Degree. Only 13 customers have any other degree, which means they are having diploma or short-term course certificates etc. Most of the customers i.e., 103 customers have completed their graduation degree and are within the age group of 21-35. So it is concluded that the most preferred age group is taken as 21-35 among all the age groups and maximum customers are having professional or technical degree, whereas the minimum number of educated people is marked at the age group of 56-65 and above 65 years.

The chi-square results depicted as 74.664 which indicate wide difference as it is more than the table value with degree of freedom of 16 and no significance value.

Companion and Age

H_{01D} : Age has no bearing on, if the customer shops alone or with a companion.

Table 4: Cross Tabulation on Companion and Age

Companion		Age					Total
		<20	21-35	36-50	51-65	65>	
Friends	Count	42	26	38	15	7	128
	% within	32.8%	20.3%	29.7%	11.7%	5.5%	100.0%
Family	Count	34	103	37	12	12	198
	% within	17.20%	52.00%	18.70%	6.10%	6.10%	100.00%
Colleagues	Count	5	1	3	1	2	12
	% within companion	41.70%	8.30%	25.00%	8.30%	16.70%	100.00%
Alone	Count	45	111	49	12	17	234
	% within companion	19.20%	47.40%	20.90%	5.10%	7.30%	100.00%
Relatives	Count	7	2	3	0	2	14
	% within companion	50.00%	14.30%	21.40%	0.00%	14.30%	100.00%
Total	Count	133	243	130	40	40	586
	% within companion	22.70%	41.50%	22.20%	6.80%	6.80%	100.00%

Pearson Chi-Square value =57.604^a df. =16 sig. =.000

Sources: Compiled data

Table 4 indicates the results of cross relation measurement of the age of the customers in relation to their Companion. The Companion has been categorized as friends, family, colleagues, alone and relatives. This relation indicates the age wise companion of the customers. Out of 586 customers, 234 customers like to visit organized retail alone. In the age group of 51-65., 12 customers have opined that they prefer to come to organized retail alone. Only one Customer has the option of coming to organized retail with their Colleagues in the age group of 21-35 and 51-65. So, it is concluded that the most preferred customers come alone followed by coming with their family members, whereas the minimum number of customers are found to visit organized retail with their relatives or with their colleagues. The chi-square results depicted as 57.604 which indicate wide difference as it is more than the table value with degree of freedom of 16 and significance value of 0.00. Hence, the null hypothesis is rejected.

Domicile and Age

H_{01E} : Age has no bearing on domicile status of the customer.

Table 5: Cross Tabulation on Domicile and Age

Domicile		Age					Total
		Below 20	21-35	36-50	51-65	65>	
Same city	Count	52	88	36	9	19	204
	% within domicile	25.5%	43.1%	17.6%	4.4%	9.3%	100.0%
City peripheral	Count	28	71	42	13	11	165
	% within domicile	17.0%	43.0%	25.5%	7.9%	6.7%	100.0%
Other areas of state	Count	14	43	16	4	4	81
	% within domicile	17.3%	53.1%	19.8%	4.9%	4.9%	100.0%
Outside state	Count	39	41	36	14	6	136
	% within domicile	28.7%	30.1%	26.5%	10.3%	4.4%	100.0%
Total	Count	133	243	130	40	40	586
	% within domicile	22.7%	41.5%	22.2%	6.8%	6.8%	100.0%

Pearson Chi-Square Value =25.648^a df. =12 sig. =.012

Sources: Compiled data

Table 5 indicates the results of cross relation measurement of the age of the customers in relation to their domicile. The domicile has been categorized as same city, city peripheral, other areas of state and outside state. This relation indicates the age wise domicile of the customers. Out of total customers, maximum of 204 customers are staying in the same city. Only 81 customers are staying in other areas of state. 4 customers are staying in other areas of state in the both the age group of 51-65 and above 65 years. 88 customers are staying in the same city in the age group of 21-35 years followed by the 71 customers of the same age group staying in city peripheral areas. So, it is concluded that the most preferred age group is taken as 21-35 among all the age groups, whereas the minimum number of experiences is marked at the age group of 56-65 and above 65 years. The chi-square results depicted as 25.648 which indicate wide difference as it is more than the table value with degree of freedom of 12 and significance value of 0.012. Hence, the null hypothesis is rejected.

Findings

- It indicates the results of cross relation measurement of the age of the customers in relation to their purchase experience.
- The chi-square value is 50.890 with 12 degrees of freedom. Since the chi-square value is more than the table value and is significant at $p = 0.01$ the null hypothesis is rejected and the alternative hypothesis is accepted.
- The results of cross relation measurement of the age of the customers in relation to their income level.
- The chi-square results depicted as 54.748 which indicate wide difference as it is more than the table value with degree of freedom of 16 and with p value being highly significant.
- The results of cross relation measurement of the age of the customers in relation to their Education qualification.
- The chi-square results depicted as 74.664 which indicate wide difference as it is more than the table value with degree of freedom of 16 and no significance value.
- The results of cross relation measurement of the age of the customers in relation to their Companion.
- The chi-square results depicted as 57.604 which indicate wide difference as it is more than the table value with degree of freedom of 16 and significance value of 0.00. Hence, the null hypothesis is rejected.
- The results of cross relation measurement of the age of the customers in relation to their domicile.
- The chi-square results depicted as 25.648 which indicate wide difference as it is more than the table value with degree of freedom of 12 and significance value of 0.012. Hence, the null hypothesis is rejected.

Conclusion

Present day retailing, notwithstanding its expense viability, has come to be related to ways of life especially the well-off one, along these lines barring a significant and bigger portion of purchasers. Indeed, to interest all classes of society, coordinated retail locations would need to relate to various ways of life and financial layers and react to their separate prerequisites and shopping designs. Somewhat, this pattern is as of now obvious with the development of stores with a basically 'an incentive for cash' picture. Consumer expectations are exceptionally high from the coordinated retail sector and such assumptions have likewise come off on the traditional retailers. While demanding incentive for cash and cost viability, today buyers need a superior shopping experience, amusement, well disposed connections and a wide selection of items and administrations. Retail locations need to satisfy these hopes to thrive, succeed and fill in the Indian market. The retailer to fulfill customer needs should have a careful comprehension of how clients settle on store decision and buy choices. Consumer purchase behavior gives some significant bits of knowledge into the cycle and consequently is valuable for retail the executives dynamic. Understand that the acquisition of item includes persuasive, social, mental and financial variables. There are additionally significant stages associated with the buy cycle and the kind of procurement and the clients of the buy that will influence the purchasing behavior.

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