A study of consumer purchase behavior in organized retail outlets.

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Key Words
Consumer behaviour, consumer purchase preference, spending pattern, store layout

Abstract
In this research paper researchers basically focused on behaviour of consumer mainly on purchasing pattern in various store formats and store preference on the basis of product availability, spending pattern, consumers preferred store, sales man services, and store layout. Researchers observed that the customers prefer retail outlets because of price discount, followed by variety of products in the store and convenience to the customer.. Researchers have also observed that departmental stores are most popular amongst consumers. Customers purchase behavior varies with price and availability of products and customers spending pattern shrinks due to poor quality of products.

Introduction

Consumer behavior is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, socio psychology, anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. Belch and Belch (2007) define consumer behavior as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires.

The study of consumer behavior helps firms and organizations improve their marketing strategies by understanding issues such as,
- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products);
- The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions;

- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and
- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

Literature Review:

The various studies related to consumer behaviors in India and abroad are being referred by the researcher. The general field is one which has been extensively studied, and the research is discussed and reviewed by Wahyuningsih and Chris Dubelaar (2004) in his paper 'Consumer Behavior and Satisfaction' of Monash University. *In their studies they have concluded that* To satisfy their customers, companies need to identify clearly each segment of consumers whether they are passive, rational-active, or relational-dependent consumers. This is because these three types of consumer perceive their levels of satisfaction differently. Since rational active and relational dependent consumers are very sensitive about their feelings and expectations, companies need to communicate and increase their performance continuously.

A study by (Christensen 1999) shows that out shopping is inversely related to the size of the town of residence. Some researchers have viewed shopping as a leisure activity (e.g. Jackson 1991, Newby 1993). Other relevant studies address the interaction between the physical infrastructure and consumers' choice of retail outlets.

Even though Fernie (1997) does not treat consumer preferences as a separate issue, his work seems likely to provide inspiration for the present study. Fernie looked at the retail changes in the United Kingdom and included a consideration of the logistical consequences of the developments there.

The Robert V Kozinets & John F Sherry studies (2002) have explained the flagship brand stores as an increasingly popular venue used by marketers to build relationships with consumers. They have stated that , as we move further into an experience economy in the new millennium, retailers are refining the flagship brand store into new forms such as the themed retail brand store. This new form not only promotes a more engaging experience of the brand's essence but also satisfies consumers looking for entertainment alongside their shopping.

Douglas D. Davis and Edward L. Millner (2004) studies have concluded that series of purchase decisions for chocolate bars given (a) "rebates" from the listed price, (b) "matching" quantities of chocolates for each bar purchased, and (c) simple price reductions, participants purchase significantly more chocolate bars under a "matching" sales format than under a comparable "rebate" format. In attention to the net consequences of decisions, as well as some "rebate aversion", explain the preference for matching discounts.

Carrie Heilman (2002) has examined the impact of in-store free samples on short- and long-term purchasing behavior. They suggest that the population of in-store samplers can be divided into three segments based on their motives for sampling: "Information Seekers", "Party Goers," and "Opportunists," and propose that short- and long-term shopping behavior differs across these three segments post-sample. They had conduct an in-store experiment and find support for their theory and hypotheses

The researchers have tried to explain the consumer behavior and promotional strategies adopted by retailers. They have explained that consumer spending pattern varies with retail formats of the retailers. Also researchers have mentioned that consumers select the outlet on the basis of product offerings.

Objectives
This paper is related to the study of consumer behavior towards organized retail. The objectives set for the study are as follow.
a) To study consumer purchase behavior and satisfaction in different store formats.
b) To study shopping parameters adopted by consumers for selecting retail outlets.

Hypothesis:
1.   Consumer purchase behavior varies with the individual salesman approach in services.
2.   Consumer purchase behavior is based on availability, quality and price of the product.
3.   There is a strong correlation between consumer purchase behavior and store layout.

Research Methodology:
For any research; deciding the sample size and sampling technique is an important part. There are various methods for deciding the sample size. For this study, the data collection was done by snowball sampling and convenience sampling. Based on the retail format, the researcher decided to conduct the survey of three types of retailer which include supermarkets, departmental Stores and hypermarket. Researchers used questionnaire and personal interview method for collecting data. The questions were framed keeping in mind the objectives of research. The questionnaire was given to the customers and the data was collected by personal interview in the form of written responses of the questionnaire. Total sample size for the customers is 150. For the analysis of the data, researchers used basic techniques of Statistics such as mean, standard deviation, variance, etc; Hypothesis testing is carried out through one way ANOVA, Chi-square test and certain non parametric tests.

Discussions and Conclusions
Researchers mainly focuses on the consumer behavior and purchase parameters and satisfaction which includes reason for visit the retail outlet, type of retail format for visit, and spending pattern as per different products. The detail explotion of each parameter is as follow,

A) Reason for visit the retail outlets: Related with this parameter, researcher ask question with some alternatives options to the customer which include price discount, offers, range, services,

convinces, and infrastructure. It was observed that The majority of customers prefer to visit particular retail outlets because of Price discount (38), followed by variety of products (34), and convenience (31).

B) Type of retail format for visit: Researchers observed that based on the parameters like price discount, variety of products kept in the store, customers' convenience, customer visited the retail formats are, department store (74), hypermarket (44) and supermarket (32).

C) Spending pattern as per various products: Consumer spending pattern is an important factor that affects the overall purchasing behavior of consumer. Shopping habits of Indian consumers are changing due to their growing disposable income, relative increase in the younger population, and the change in attitudes towards shopping. In the study researchers observed that customers spend more towards garments & cosmetics (67) followed by food & eatables (41) and electronic goods (24).

No. of Consumers
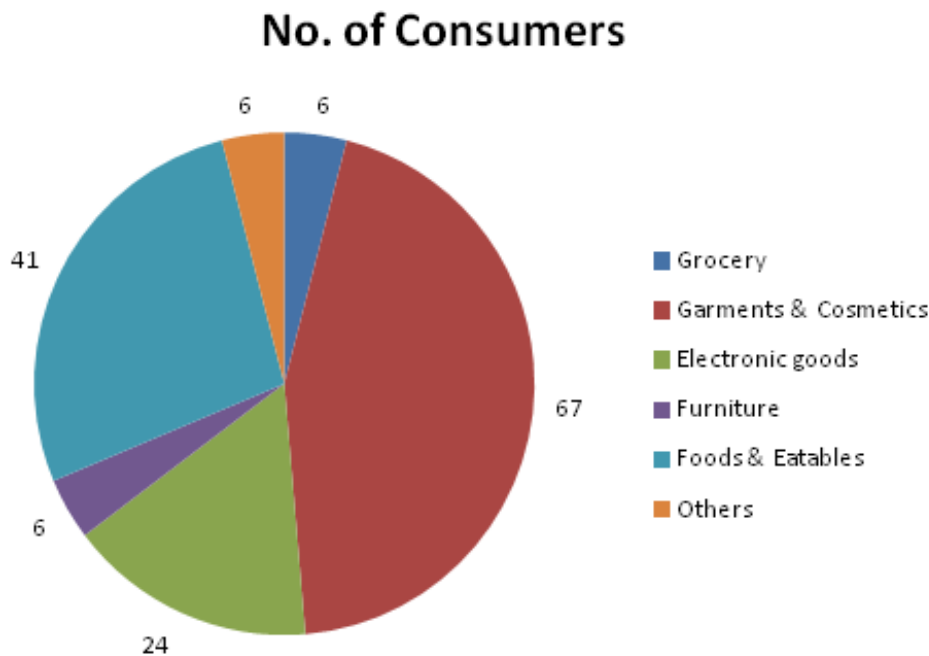
Data analysis and hypothesis testing:

Hypothesis 1: Consumer purchase behavior varies with the individual salesman approach in services.

H0: Consumer purchase behavior varies with the individual salesman approach in services.

H1: Consumer purchase behavior do not varies with the individual salesman approach in services.

Test Statistics Table No.1

	Product Knowledge	Discipline	Communication	Courtesy	Prompt Service
Chi-Square(a,b)	184.240	9.640	201.733	65.440	3.640
df	3	2	3	2	2
Asymp. Sig.	.000	.008	.000	.000	.162

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 37.5.
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 50.0.

From Chi square test, it was observed that the significance level of Product Knowledge, communication and courtesy lie within 5% . Hence researchers accept H0 for product knowledge, communication and courtesy. That is customer purchase behavior varies with salesman service which include product knowledge, communication and courtesy. While significance of discipline and prompt service is lie out of 5% level, which shows that customer purchase behavior do not vary with discipline and prompt service.

Sales persons performance parameters Table No. 2

		Product Knowledge	Discipline	Communication	Prompt Service	Courtesy
N	Valid	150	150	150	150	150
	Missing	0	0	0	0	0
Mean		3.90	4.09	4.23	4.01	4.41
Std. Deviation		.621	.745	.497	.773	.546
Variance		.386	.555	.247	.597	.298
Rank		3	4	1	5	2

It was observed that the performance of the salesperson was up to the mark in communication and courtesy while they lack in the performance as far as product knowledge, discipline and prompt services are concerned Hence retailer should provide training for product knowledge, discipline and prompt service which actually increase customer satisfaction.

2) Hypothesis 2: Consumer purchase behavior is based on availability, quality and price of the product.
H0: Consumer purchase behavior is not based on availability, quality and price of the product.
H1: Consumer purchase behavior is based on availability, quality and price of the product.

Table No. 3. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-5.516	.605		-9.119	.000
Availability of product	.573	.162	.251	3.537	.001
Quality of product	-.501	.179	-.249	-2.800	.006
Price of product	1.895	.206	.783	9.193	.000

a. Dependent Variable: Spending per visit

Regression Equation
Y=0.5773X1-0.501X2+1.895X3-5.516

Spending pattern varies with availability of products and price of products, while spending per visit was reduced with poor quality of product.
From the regression analysis it was observed that spending pattern of customer mainly fluctuate because of price of product (1.89), availability of product (0.57) and quality of product (-0.50).
Finally researchers conclude that customer purchase behavior changes positively with price of the product and availability of products. Consumer purchase behavior changes negatively due to poor quality of products.

Hypothesis 3: There is a strong correlation between consumer purchase behavior and store layout.
H0: There is no strong correlation between consumer purchase behavior and store layout.
H1: There is strong correlation between consumer purchase behavior and store layout.

Table No. 4 Descriptive Statistics

	Mean	Std. Deviation	N
Visit per month	2.16	.844	150
Store Layout	4.15	.639	150

Table No. 5 Correlations

		Visit per month	Store Layout
Visit per month	Pearson Correlation	1	-.206*
	Sig. (2-tailed)		.012
	N	150	150
Store Layout	Pearson Correlation	-.206*	1
	Sig. (2-tailed)	.012	
	N	150	150

*. Correlation is significant at the 0.05 level (2-tailed).

The correlations table displays Pearson correlation coefficients, significance values, and the number of cases with non-missing values (N). The values of the correlation coefficient range from -1 to 1. The sign of the correlation coefficient indicates the direction of the relationship (positive or negative). The absolute value of the correlation coefficient indicates the strength, with larger absolute values indicating stronger relationships. The correlation coefficients on the main diagonal are always 1, because each variable has a perfect positive linear relationship with itself. Correlation coefficient between consumer behavior and store layout is -0.206. Accept H0 that is there is no strong correlation between consumer purchase behavior and store layout.

Findings:

Organized retail sector is growing rapidly and consumers are shifting to shopping in organized retail stores. Thus, understanding of shoppers' behavior is the key to success for the retailers. Marketers will have to understand the consumers' shopping behavioral dimensions that will help them to tap the consumer in a better way. Consumer purchase behavior is an important factor that affects the strategies adopted by the retailers. Shopping habits of Indian customers are changing due to their growing disposable income, relative increase in the younger population, and the change in attitudes towards shopping. In the study researchers have observed that customer purchasing behavior towards garments & cosmetics (67) followed by food & eatables (41) and electronic goods (24). It was observed that the performance of the salesperson was up to the mark in communication and courtesy while they lack in the performance as far as product knowledge, discipline and prompt services are concerned Hence retailer should provide training for product knowledge, discipline and prompt service which actually increase customer satisfaction. Parameters considered for this study includes price discount, special offers, variety of products, retail services, convience to customer, and store ambience. It was observed that The majority of customers prefer to visit particular retail outlets because of Price discount (38), followed by variety of products (34), and convenience to customer (31). Researcher also found that based on price discount, variety of products kept in the store and customers' convenience, the

type of retail format visited by the customers are department store (74), hypermarket (44) and supermarket (32). Finally researchers conclude that customer purchase behavior changes positively with price of the product and availability of products. Consumer purchase behavior changes negatively due to poor quality of products.

Limitations and direction for further research

The literature survey and the findings of this study are indicative and are good enough to give an overview of the retail purchase consumer behavior in India. The time, efforts and manpower used for conducting this research was available limited and sample size was 150 consumer respondents. The objective of this paper is only giving and idea of retail consumer spending patterns and not overall consumer behavior. This research has traditional limitations associated with survey research such as selection errors, measurement errors and interviewers effect. Further research can be undertaken on similar kind of other different retail formats other than hypermarkets, departmental stores and supermarkets. Also researchers would like to suggest to undertake research on the impact of consumer behavior on other retail store environment etc.

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