



A Study on Consumer Buying Behavior towards Organized Retail Outlets in Warangal

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Abstract:

Customer satisfaction is widely recognized as a key pressure in the formation of consumers' future purchase intentions. Satisfied customers are also likely to tell others of their favorable experiences and thus engage in positive word of mouth advertising. The present study aims to investigate consumer buying behavior towards organized retail outlets in Warangal city of Telangana state in India. The objectives are to identify the determinants of customer satisfaction in the organized retail outlets, to identify the attitude and behavior of the customers those who are purchasing in organized retail outlets, and to study about the future prospects of organized retail outlets in the city. Customer satisfaction is a significant subject for most marketers. This study seeks to identify the factors that influence on consumer buying behavior with special reference to organized retail outlets in Warangal.

Key wards:

organized retail outlets, consumer behavior and satisfaction.

Introduction:

The various in-stores attributes of the organised retail stores are discussed in this section. Promotional strategies are very crucial for the retailers as they try to make their promotions more effective and gain a competitive position in the market place. Sales promotion comprises a wide variety of short-term tactical promotional tools designed to generate an immediate market response.

In the last few decades, the budget of many consumer goods manufacturers has undergone a dramatic shift, with lot of money being spent on sales promotions than on advertising. The significance of product display area in self-service stores stems from the importance of physical product exposure as a sales stimulus. Most retail stores employ product displays to attract the attention of potential buyers and stimulate their demands for goods. The more space allocated to an item, the more likely it is to be purchased. This is particularly true in case of items that are likely to be purchased on impulse. Some of the buyers are brand indifferent and would substitute brand A for B. The brand switcher perceives no differences between brands and disregards those disparities which do exist. Every one is a consumer and tends to consume things everyday based on his/her needs, likes and buying capacity.

There are vast varieties of goods in the market place but the consumers go for the ones which are of their use and match their purchasing capacity of buying the same. A consumer's buying is driven by so many things such as expectations, perceptions, attitudes, beliefs, motivation, self-concept, family and cultural background and social class. When the consumer goes for a purchase, at first consideration and decision are made whether certain products are to be bought or not. Then the type of source is considered and selected. Thus, it is very crucial to understand the needs of the consumers and formulate internal and external marketing plans accordingly.



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Mehrabian & Russell in their theory employs the measure of three variables- pleasure, arousal and dominance- to describe and measure the individual affective responses to an environment. Pleasure is indicated by respondents' verbal assessments of the environment as happy, pleased, satisfied, contented, hopeful and relaxed. Arousal is verbally assessed as the extent to which respondents report feeling such as stimulated, excited, frenzied, jittery, and wide-awake and aroused. Dominance is indicated by respondents' feeling of being controlled, influential, in-control, important, dominant and autonomous.

Review of literature

Michael Levy and Barton Weitz in the book Retailing Management 'has tried to know how retailing has become an important economic activity. The book titled Retailing Management 'is definitely a different form of commentary on _Retailing Operations 'especially in the modern and the Western World. The book discusses different facets of retailing strategies as they are useful for developing the retail markets especially in a growing economy. In this book the authors have tried to find out the reasons of growth of modern retailing, different retail format, and multichannel retailing as a method of operating in a competitive market. From the author's point of view there is a great change in the consumer behaviour which is

Barry Burman and Joel Evans has offered a different kind of approach to the present system of retailing. The book Retail Management: A Strategic Approach 'is basically related with understanding the marketing phenomenon of retailing, the changes brought in due to competition amongst retailers in terms of marketing, distribution, as well as promotional practices. The author has concentrated on understanding and analyzing the detailed market from different dimensions. The concept of SWOT analysis, situation analysis and tactical analysis has been adopted by the authors to understand new trends in

retail marketing, its implications on competition as well as economics of retailing, changes in the pricing policy and promotional techniques that are adopted by different organized large scale retailers. The authors have tried to understand retail institutions in terms of ownership, in terms of demand pattern, in terms of strategic mix, in terms of emerging forms. The authors have noticed that the non-traditional retailing especially Web Stores, or Electronic Retail Channels are becoming more profitable and popular because of changing tastes and styles of buyers, because of liking of the new and emerging trend of Electronic medium. Internet has influenced not only in terms of technology but Internet has become a social medium of communication, which is responsible for development of E-Retailing which has drastically influenced the strategies of retail management. This has changed the perception, competitive strategies, distribution systems and promotional strategies that are adopted by the retailers.

Kaltcheva Velitchka developed the conceptual framework which proposes that the consumer's motivational orientation moderates the effect of the arousal produced by a store environment on the pleasantness of the environment. When consumers have a recreational motivational orientation, high arousal has a positive effect on pleasantness, but when consumers have a task-oriented motivational orientation, high arousal decreases pleasantness. In addition, high arousal increases consumer intentions to visit and make purchases in the store for recreationally oriented consumers, but it has a negative impact on shopping behavior for task-oriented consumers. Pleasantness mediates the effect of arousal on shopping behavior.

Raff Horst and Schmitt Nicolas investigated the implications for international markets of the existence of retailers/wholesalers with market power. Two main results were shown. First, in the presence of buyer power, trade liberalization may lead to retail market concentration.

Due to this concentration, retail prices may be higher and welfare may be lower in free trade than in autarky, thus reversing the standard effects of trade liberalization. Second, the pro-competitive effects of trade liberalization are weaker under buyer power than under seller power.

Statement of the Problem

The success of any format of retail industry solely depends on how it performs in the market place at a given point of time. The performance in turn depends on how efficiently the industries persuade the consumers in to its basket which requires the retail stores to understand the behaviour of the consumers. But, understanding the consumer behaviour is complex, as it is related to the psychology of consumers and also depends on various social factors which have a direct impact on consumer behaviour. This in turn, led the retailers to redraft their existing marketing strategies and introduce appropriate changes to establish and sustain themselves in the industry. Thus, the consumers' buying behaviour becomes an integral part of the marketing strategies of the organized retail stores. In this context, it is imperative to study the consumers' buying behaviour towards organized retail stores and the present research work has tremendous relevance to the retailers in formulating their marketing strategies.

Objectives of the Study

The following are the objectives framed for the study.

1. To study the demographic characteristics of the consumers of organized retail stores in Warangal.
2. To determine the buying behavior of the consumers at organized retail stores.
3. To explore the level of satisfaction of the consumers.

Hypothesis of the Study

H₀: There is no significant satisfaction of the consumer towards the organized retail stores.

Research Methodology

The validity of any research depends on the systematic method of collecting data and analyzing the same in a logical and sequential order. In the present study, an extensive use of both primary and secondary data has been made.

Sampling design and technique

The Universe in the present study comprises of the consumers who purchase at the organised retail stores in Warangal. The size of the sample was 100 respondents. These samples were carefully selected by the researcher from those who purchase from organized retail stores in all locations of the study area. Both primary and secondary data were used in the study for analysis. For collecting primary data, the field survey technique was employed. A well framed questionnaire was also used to collect the primary data. The Warangal has been selected based on the convenience sampling for collecting the data. First hand information pertaining to the consumers' buying behavior and their preference for shopping in different organized retail stores were collected from respondents.

Frame work of analysis

By virtue of the mass of data obtained from research survey, as well as from data of the secondary sources collected and presented in the report, a descriptive and an analytical research is considered most appropriate for the study. The researcher used closed-ended and open-ended questions in the questionnaire to collect the primary data.

Primary data

In order to fulfill the objectives set, the primary data was collected in the form of responses from consumers of organized retail stores in Warangal. The consumers are the respondents who provide information regarding their understanding, experiences, opinion, and perception towards the marketing practices adopted by organized retail stores.

The study was undertaken by using a well framed questionnaire that was duly filled by the respondents. The respondents were selected with varying background based on the aspects like their age, gender, educational qualification, occupation, monthly income level, marital status, type of family, family size and so forth, in the areas of twin cities. A noteworthy feature was that the respondents filled the questionnaire with much zeal. This was due to the high level of literacy among the respondents and the researcher's rapport established with them.

Secondary data

Be it any research, a researcher must be aware of the value of secondary data. The secondary data provided the researcher with information regarding the activities, the scope and the opinions of other researchers and experts in the initial stages. The data further guided the researcher in defining the variables of the study and also identifying the classes of the stakeholders involved. The secondary data provides useful and necessary information supplementing the qualitative aspects of research findings. For this purpose, the secondary data was collected from all associated sources that include books on marketing, retailing and consumer behaviour, research journals, magazines and periodicals, internet web sources and libraries of reputed universities, institutes in and around Telangana State.

Statistical tools used for analysis

The difference in the extent of utilizing the retail stores among the different types of consumers based on their age, gender, educational qualification, occupation, monthly income level, marital status, type of family, family size, awareness, period of visiting the retail store, frequency of visit, purchase range and mode of payment is studied by means of Percentages, Averages, Two-way tables and Chi-Square test.

Scope of the Study

The purpose of this study is to analyse the consumers' buying behaviour which includes a thorough analysis of buying intention, buying habits, buying attitudes and post purchase behaviour of consumers in organized retail stores. Among the various aspects that build the rapport with the buyers and keep them in their fold, the buying behaviour is much more important than the technical or product quality. Hence, the outcome of the present study will be of immense help to the organized retailers in bringing out the various aspects concerned with the consumers' buying behaviour which would definitely facilitate them to work out appropriate marketing strategies and promote their business.

Limitations of the Study

- 1.As the geographical area of the study is limited to Warangal alone, the findings of the study may not reflect the entire Indian scenario.
2. The elicited opinion of consumers may not be good all times, because of individual differences due to age, gender, attitude, income, profession, etc.
3. The findings of the study may not be applicable to the universe, as only 100 samples from consumers were taken under convenience sampling.

Data Analysis and Interpretation

The data collected is tabulated in Table-1 on demographic characteristics of the respondents

	No. of Respondents	%
Gender		
Male	39	39.00
Female	61	61.00
Age		
20 years and below	06	06.00
21 to 30 years	22	22.00
31 to 40 years	32	32.00
41 to 50 years	26	26.00
Above 50 years	14	14.00

Marital Status		
Married	77	77.00
Unmarried	23	23.00
Education		
Illiterates	02	02.00
School level	20	20.00
Inter/Diploma/ITI	25	25.00
Graduate	32	32.00
Post Graduate	21	21.00
Occupation		
Unemployed	08	08.00
Agriculturalist	02	02.00
Self Employed	22	22.00
Pvt. Employee	54	54.00
Govt. Employee	14	14.00
Family Size		
Up to 3 members	22	22.00
4 to 5 members	62	62.00
Above 5 members	16	16.00
Type of family		
Nuclear	71	71.00
Joint family	29	29.00

Source: Primary Data

Interpretation:

From the above table, it is clear that 39% of the respondents are male and 71% of the respondents are female. After dividing the respondents on the basis of gender, they are further divided according to their age. In this, it is found that out of total respondents 6% are 20 years old and below, 22% age between 21 to 30 years, 32% belongs to the age group of 31 to 40 years, 26% are 41 to 50 years and 14% are Above 50 years. 2% of respondents are Illiterates, 20% respondents are School level, 25% of respondents are Inter/Diploma/ITI, 32% of respondents are Graduates and 21% of respondents are post graduates respectively. 8% of respondents are Unemployed, 2% of respondents are Agriculturalists, 22% of respondents are self employed, 54% of respondents are private employees and 14% of respondents are Government employees.

Majority of the respondents (62%) have their family size is 4 to 5 members and 71% of respondents' have nuclear family.

4.19 Level of satisfaction towards the services and facilities offered in the store

The level of satisfaction attained by the consumers towards the services and the facilities offered in the store is formulated in Table 4.55. The various services and facilities considered for the study are POS / computerized billing, scanning / bar coding, electrical equipments for storing, air-conditioning, elevator/escalator, replacement of defect goods, signage to locate merchandise, trolley, showing of care, privilege card, rest rooms / toilets, repair services, child care facilities, provisions for differently abled, play areas for children, warranties and special orders.

Table 4.19 Level of satisfaction towards the services and facilities offered in the store

Attributes	Level of satisfaction									
	Highly Satisfied		Satisfied		Neither Satisfied Nor Dissatisfied		Dissatisfied		Highly Dissatisfied	
	F	%	F	%	F	%	F	%	F	%
POS / Computerized billing	38	38.00	50	50.00	8	8.00	2	2.00	2	2.00
Scanning / bar coding	30	30.00	47	47.00	23	23.00	0	0	0	0
Electrical equipments for storing	15	15.00	36	36.00	39	39.00	8	8.00	2	2.00
Air-conditioning	12	12.00	37	37.00	35	35.00	11	11.00	5	5.00
Replacement of defect goods	14	14.00	38	38.00	25	25.00	18	18.00	5	5.00
Signage to locate merchandise	14	14.00	43	43.00	39	39.00	2	2.00	2	2.00
Trolley	39	39.00	30	30.00	22	22.00	7	7.00	2	2.00
Show that you care	15	15.00	52	52.00	27	27.00	3	3.00	3	3.00
Privilege card	12	12.00	38	38.00	41	41.00	7	7.00	2	2.00
Rest rooms / Toilets	15	15.00	31	31.00	36	36.00	15	15.00	3	3.00
Repair services	14	14.00	40	40.00	29	29.00	14	14.00	3	3.00
Child care facilities	14	14.00	28	28.00	30	30.00	23	23.00	5	5.00
Provisions for differently abled	11	11.00	25	25.00	33	33.00	27	27.00	4	4.00
Play areas for children	9	9.00	18	18.00	39	39.00	31	31.00	3	3.00
Warranties	20	20.00	32	32.00	32	32.00	14	14.00	2	2.00
Special orders	18	18.00	38	38.00	25	25.00	14	14.00	5	5.00

Source: Primary Data

39.4 per cent of the consumers are highly satisfied with the usage of trolley in organized retail stores. The consumers are satisfied towards the POS/computerized billing, scanning / bar coding, air-conditioning, replacement of defect goods, signage to locate merchandise, show that you care, repair services, warranties and special orders at 50.8, 47.4, 37.2, 38.3, 43.3, 52.4, 40.7, 32.8 and 38.1 per cent respectively.

On the other hand the consumers are neutral towards the electrical equipments for storing, elevator / escalator, privilege card, rest rooms / toilets, child care facilities, provisions for differently abled and play areas for children at 39.7, 37.0, 41.4, 36.2, 30.2, 33.1 and 39.1 per cent respectively. It is explicit from the analysis that the majority (52.4%) of the consumers attach their satisfaction towards the service show that you care.

Findings and Conclusion:

The various factors that influence the consumers towards the services offered at the organized retail stores in Hyderabad were identified and analyzed. To collect first hand information from 100 sample consumers the field survey method was employed. The data thus collected are arranged into a simple tabular form. The level of satisfaction perceived by the selected sample consumers in utilizing the services offered at the organized retail stores is considered as a dependent variable. The independent variables selected for the study are consumers' age, gender, marital status, educational status, occupation, family size, and type of family. In this study it is found that organized retail outlets provide better quality of service. Most of the customers are satisfied with the quality of service provided by the organized retail outlets. They are satisfied with self service, product price, visual merchandising, home delivery and fast checkout. By using Chi-Square test it is made clear that there is relationship between satisfaction level towards demographical variables. Most of the customers are youngsters and employed, they feel more comfortable with card payment than cash, and these stores are expected to make this facility available to all the customers.

Conclusion:

The root of the study is that most of the customers prefer purchasing from organized retail outlets. Also, most of them are satisfied with the quality of service, price and product range of the goods provided by organized retail outlets.

Satisfaction of consumers in retail service is an important criterion for a marketer to understand for further strategic decision. This study also reveals that the customers prefer organized retailing over unorganized retailing, due to which the organized retailing become a threat to the unorganized outlets.

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