

## GLOBAL JOURNAL OF ENGINEERING SCIENCE AND RESEARCHES A STUDY ON BUYING BEHAVIOUR PATTERN OF CONSUMERS IN GENERAL MERCHANDISE

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### ABSTRACT

Consumer patterns have been the dominant point of discussion in retailing and marketing for over 50 years. The purpose of this research work is to find out the consumer buying behavior towards organized retail stores. The objective of this study is to get the feedback about consumer perception, attitude and satisfaction at the retail stores. The research design used in this study is descriptive research design. In today's dynamic and competitive business environment, retailers must thoroughly understand and predict how the consumers behave in purchasing various goods and services for their use. Therefore, to create a competitive position in the marketplace retailers are strategizing themselves to develop a distinct image in the shoppers' mind towards their store for having a strong impact on their behavior. The retailing practice is going through a radical revolution due to the introduction of new formats for which organized retail is gaining tremendous importance in the recent times. The results may help the management of Retail stores to understand about the factors that influence the consumer perception, attitude and satisfaction towards organized retail stores.

**Keywords:** *consumer behaviour, buying behaviour, retail stores, consumer perception.*

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### I. INTRODUCTION

The consumer is in the center of any marketing endeavour. Finding out what the consumers (individual or organization) need, desire and demand is the starting point of a marketing approach in order to gather the necessary input to develop a tailored product or service for the respective consumers. As a consumer we are all unique and this uniqueness is reflected in the consumption pattern and process of purchase. The study of consumer behaviour provides us with reasons why consumers differ from one another in buying using products and services. We receive stimuli from the environment and the specifics of the marketing strategies of different products and services, and responds to these stimuli in terms of either buying or not buying product. In between the stage of receiving the stimuli and responding to it, the consumer goes through the process of making his decision. Buying behaviour is a process which enables an organization to understand how consumers select, buy and dispose of goods, services, ideas or experiences in order to satisfy their needs and wants. A provider should pay attention in grasping the activities and influences occurring before, during and after the purchase. An organization should pursue detailed research of the elementary processes of the consumer behaviour (perceptions, learning, attitudes and motivations) in order to make the right marketing decisions.

### II. LITERATURE REVIEW

**Bhattacharya et al (2003)** stated that consumer behaviour referred to the mental and emotional process and the observable behaviour of consumers during searching, purchasing and post consumption of a product or service. Consumer behaviour involved study of how people buy, what they buy, when they buy and why they buy. It blended the elements from psychology, sociology, socio-psychology, anthropology and economics, to assess the influence on the consumer from groups such as family, friends, reference groups and society in general.

**Dineshkumar and Vikkraman (2012)** noted that customer satisfaction was widely recognized as a key pressure in the formation of consumers' future purchase intentions. Satisfied customers were also likely to tell others of their

favorable experiences and thus engage in positive word of mouth advertising. It aimed to investigate customer satisfaction in the organized retail outlets in Erode city of Tamil Nadu State in India. The objectives were to identify the determinants of customer satisfaction in the organized retail outlets in Erode city, to identify the attitude and behavior of the customers those who were purchasing in organized retail outlets and to study about the future prospects of organized retail outlets in the city. Customer satisfaction was a significant subject for most marketers.

**Gomathi et al. (2013)** studied the consumer attitude towards departmental stores of organized retail outlet. The preferences of the consumers clearly indicate the importance of advertisement in influencing their purchase, the additional facilities expected, improvement expected in handling defective goods and many more. They analyzed the attitude of the consumer towards departmental stores. The results may help the management of departmental stores to understand the factors that influence the attitude of consumers towards departmental stores, so that they can implement the requirement of the consumers and be successful in the emerging retailing environment.

**Paul Robert et al (2013)** Research has identified several key areas in which shoppers are different from consumers. Those differences help to clarify how best to support the shopper. In order to effectively communicate with shoppers, retailers should understand their needs. This assessment requires an entirely different set of tools targeted to reach the shopper at retail. In this chapter we will discuss the differences between shoppers and consumers, track the shoppers' methods, and explore opportunities for retailers to influence shoppers' changing demands. Let's begin with the consumer.

**Lakshmi Narayana k et al (2013)** in their study unorganized retailers in the vicinity of organized retailers are heavily affected in terms of profit and volume. The factors which are attracting the customers towards unorganized retailers are location convenience, goodwill, credit facility, bargaining, loose items, convenient timings, and home delivery.

### III. OBJECTIVES

1. To understand the gradual background of the concepts of store image and consumer behavior
2. A simplified model of the consumer decision-making framework
3. To analyse the consumer perception towards organized retail stores in the study area.
4. Identify the various factors influencing customer behaviour and create an understanding of retailers' approach towards consumer behaviour
5. Impact of visual merchandising on select merchandise
6. To determine the consumer attitude towards organized retail stores in the study area.

**Customer Buying Behavior Patterns:** To buy is to purchase. To shop is to visit business establishments for inspection or purchase of goods. Therefore shopping is an element of customer behavior in buying. A customer placing an order over the telephone is buying, not shopping. For this reason it may be desirable to standardize on the use of the term buying rather than shopping when the totality of customer behavior is under consideration.

Similarly a distinction should be made between buying habits and buying behavior patterns. Habit is a tendency toward an action which by repetition has become spontaneous. A pattern is a design or type. Each customer has his or her own buying habits. Buying behavior patterns represent the design of behavior of a large number of customers. A run on stores to buy and hoard sugar, nylon stockings or toilet paper—in response to a shortage scare or to proposed rationing—is not a buying habit; it is a manifestation of the imperfections in our education, in our faith, and perhaps even in our frequently exalted way of life. To the retailer, such panicky customer behavior is very annoying.

Customer buying habits or behavior patterns are not permanently fixed, and certainly not sacred, even though some habits tenaciously resist change. Many factors are operating in combination to change customer food-buying behavior patterns. Among these are the automobile, the super market and self-service, the progress in the development and merchandising of frozen foods, prepared flour mixes, brown-and-serve baked goods and

concentrated fresh milk; the increasing availability of suitable facilities in the customer's home for preserving these and other highly perishable raw and prepared foods; and the public's receptive disposition to easier and less time-consuming ways of living. Similar and perhaps even more pronounced changes are affecting customer buying behavior patterns of non-food commodities.

Customer buying behavior patterns can be grouped in relation to:

1. Place of Purchase
2. Items Purchased
3. Time and Frequency of Purchase
4. Method of Purchase
5. Response to Sales Promotion Devices

**The Retail Industry:** Retailing is a vast and fast growing industry. Retailers not only contribute to the general economy, but they are also a part of the fabric of society itself. Retailing is the most prominent element of marketing where the marketer meets the ultimate consumer who exchanges value for the product and thus sanctions the very existence of business. It is the final step in the distribution of merchandise – the last link in the supply chain – connection between the bulk producers of commodities and the final consumers. It covers diverse products such as textiles, food and grocery, consumer durables, footwear, books and music, financial services and leisure. In short a retailer is a person responsible for making available the desired product in desired size at desired times to a customer. That is his value proposition to customers.

**The Customer Decision Making Process:** The need for a product or services starts generally at the time when the need for the particular product or service is recognized. The need may be psychological or fictional. Psychological needs are associated with personal satisfaction that the customer may get from purchasing or using the product. The functional need is directly related to the function of product. The functional need is directly related to the function of product. Then comes a stage where consumers seek information about the product and the place where he can make the purchase.

Therefore it is seen that in the world of relating consumer passes through five distinct stages to complete his buying process which are as follows.

1. Identification of need for the product or service
2. Information search
3. Evaluation of alternatives
4. Purchase decision
5. Post Purchase Dissonance

**The Need for Studying Consumer Behaviour:** The key challenge faced by the retailer is creating products and services which would be successful in the market. An accurate understanding of consumer need helps the retailer create product that is likely to be successful in the market. Understanding consumer buying behavior is the starting point of strategy creation. The understanding helps in determining the channels of communication, proving consumer knowledge which can help a firm assess how well it has achieved its product positioning goals. The firm with the help of studying consumer behavior tries to see how its products are perceived, whether there is a good match or not and then to consider the positioning strategy deemed a success. The retailer should know the consumers, because it is imported to know how, when and where the customers use the product or service that the retailers sell. When the retailer understands consumer behavior he is able to make an objective analysis of internal strengths and weakness. This analysis may reveal certain startling facts and provide direction for future differentiation strategies.

#### **Emerging Patterns in Organized Retailing in Relation to Consumer Behavior**

The patterns of organized retailing in India and their consequential reciprocal relationship with consumer behavior can be observed through a deeper insight into the Indian market there exists two type of shopping which analyses the consumer behavior as mentioned below:

1. Add-on features in modern retail stores have an insignificant impact on actual sales conversion, as majority of the consumers still prefer 'value for money' while shopping.
2. Utilitarian shopping has started giving way to hedonic shopping! With the emergence of organized retailing. Yet, the majority still prefers utilitarian shopping.
3. The hedonic shopping value differs across product categories and also in case of consumables and durables.
4. Retail service quality has assumed the central role in shaping the consumers' perception, sales conversion rate, and repeat sales and overall shopping satisfaction.

### Factors Influencing the Behavior of the Consumer

The behavior of retail consumer is a subject of study across the world.

In India retailers and retail formats are evolving on a great extent. Understanding the reasons for consumer's behavior is very important for retailer. Following are the factors which influence the customer's decision making process.

**Range of Merchandise:** The range of merchandise is perhaps the most important reason for customers to patronize a particular outlet. The initial curiosity of the store may draw a consumer to a retail store, but converting him into a buyer and retailing him over a period of time is largely dependent on the quality and the range of merchandise offered by the store. The range of merchandise offered plays an important role in case of categories like devalues, books and music.

**Convenience of Shopping at a particular outlet:** The element of convenience is a fast gaining promises in the world of organized retail. This is especially true in case of items like grocery/fruits and chemists. For example, while buying medicines; most patients would prefer the buy from the chemist near the doctor clinic or near the hospital.

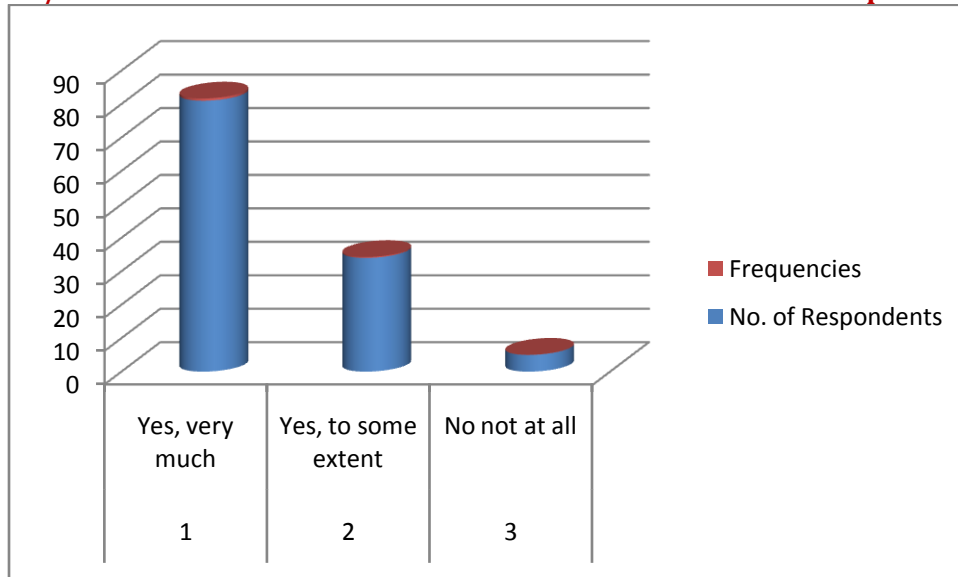
**Time to travel:** The time required to reach a particular retail location is again fast becoming critical. This is very much relevant in cities or metros like Mumbai, where travel time is high. This has resulted in many local areas developing in terms of shopping to facilitate buying.

**Socio economic factors:** Socio economic factors are seen as a fundamental to development. India is a nation which has a large middle class a youth population which is happy spending and a steady rate of growth of G.D.P. The Socioeconomic background of the consumer largely determines his lifestyle. Consumer buying behavior varies from market to market and is largely influenced by the culture of the region.

It is important for the retailer to consider socio economic change in a geographic region over a period of time as it is indicator of the facilities available at various levels and the quality of life of the population this would indirectly be related to the spread of organized retail. The researcher in order to understand whether the developments of organized retail outlets have changed the consumer behavior conducted a primary research of 120 consumers and categorized them into different age group. The results are put up in the table 1 and also the graphical representation in Graph.

*Table 1 Organized Retail outlets and change in consumer behavior*

Sl.No	Change in Consumer Behavior	No. of Respondents	Frequencies
1	Yes, very much	81	67%
2	Yes, to some extent	34	28%
3	No not at all	05	5%
4	Total	120	100%



Graph: Organized Retail outlets and change in consumer behavior

Table 1 and Graph give a clear indication that the development of organized retail outlets has changed the behavior to a great extent.

Table 2: Reasons to choose the Retail Outlets

Reasons	No. of the Respondents	Ranks
Good available in proper quantity	80	V
Goods and Brand as per demand	92	I
Knowledge about availability of goods while selection	89	III
Knowledge of difference in prices of goods of different brand	78	VI
No chance for deception	85	IV
Self-purchasing is convenient	90	II
Others	71	VII

#### IV. CONCLUSION

Consumers, who are as news aware as marketers, were conscious of the much reported down turn in consumer spending. Consumer expectations are very high from the organized retail stores and such expectations have also rubbed off on the conventional retailers. While insisting on value for money and cost effectiveness, today consumers want a better shopping experience, recreation, friendly interactions and a wide choice of products and services. Retail stores have to live up to these expectations in order to flourish, prosper and grow in the Indian market. The retailer in order to satisfy customer needs must have a thorough understanding of how customers make store choice and purchase decisions. Customer's behavior provides some valuable insights into the process and therefore is useful for retail management decision making. It is important to realize that the purchase of product involves motivational, social, psychological and economic factors. There are also important stages involved in the purchase process and the type of purchase and the users of the purchase that will affect the buying behavior.

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