RETAIL SHOPPING BEHAVIOUR OF CONSUMERS IN TRICHY CITY

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ABSTRACT

Retailing will show good prospects in cities like Mumbai, Delhi, Chennai, Kolkata, Bangalore and Kanpur. Indian retail business is expected to grow 25% annually. The organized retail sectors include supermarkets, hypermarkets, discounted stores, specialty stores and department stores. The major retail players are pantaloon retail, shoppers stop, reliance etc. The Indian consumer is changing rapidly. They now have a choice of wide range of products, quality and prices. Organized retailing is changing the whole concept of shopping in terms of buying behavior. In such a scenario, consumer decision making is of great interest for consumer educators and marketers interested in serving the consumer. Therefore, there is clearly a need for research on this issue in India. In this study, an attempt was made to study the consumer behavior in shopping malls of India.

Key Words: Exchange process, Bulk Purchasing, Celebrity influence, Freebies, Eco friendly

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INTRODUCTION

Retailing is a traditional form of exchange process practiced in India right from the days of barter system. It includes all the activities involved in selling product items directly to final consumers for their personal or non-business consumption. India is the second largest consumer market in the world with 12 million retail outlets. But, the retail sector in India is not considered as an organized industry. The local conventional grocery shops and vegetable vendors are considered as unorganized and they contribute more to the total retail stores. In India, the unorganized retailing sector comprises of 96.5% while that of organized sector is just 3.5% that too, mainly in major metropolitan and urban areas. In late 1990’s, the retail sector has witnessed a level of transformation.

Organized retailing will grow faster than unorganized sector and the growth speed will be responsible for its high market share, which is expected to be $17 billion by 2010-2011. Indian retail industry accounts for about 10%-11% of its GDP and 8% of the total employment. Modern retailing has entered into the retail markets in India as is observed in the form of bustling shopping centers, multi-storied malls and huge complexes that offer shopping, entertainment and food all under one roof. Over the last few years, retail has become one of the fastest growing sectors in the Indian Economy. Though the country has highest retail outlet density in the world, Indian retail sector is highly fragmented and organized retail in the country is at very nascent stage. Organized retailing accounts for less than 5% of the retailing industry in India. Therefore, there is no real retail revolution in India since the industry is still in the stage of infancy. The organized retail industry in India is expected to grow 25-30% annually and is projected to attain USD 23 billion by 2010 (FCCI, 2005). Retailing is gradually inching its way towards becoming the next boom industry. Consumers are the major beneficiaries of the retail boom.
CHANGING TRENDS IN INDIAN CONSUMER BEHAVIOUR

Bulk Purchasing - Bulk purchases from stores seems to be the trend these days with purchasing becoming more of a once-a-week affair, rather than frequent visits to the neighbourhood market/store/vendor.

Trendy Lifestyles - The consumers in India have also created lifestyles which have existed from changing attitudes and mindsets; exposure to western influences and a need for self-gratification. Examples: Beauty parlors in cities, eateries, designer wear and hi-tech products.

Foreign brands have gained wide consumer acceptance in India, they include items such as beverages, packed food, ready to eat food, pre-cooked food, canned food, personal care products, audio/video products, garment and apparel, footwear, sportswear, toys and gift items.

MARKETING STRATEGIES

1. Online Marketing - Online marketing can serve several purposes:

   - **Actual sales of products** - e.g., Amazon.com.
   - **Promotion/advertising** - Customers can be quite effectively targeted in many situations because of the context that they, themselves, have sought out. For example, when a consumer searches for a specific term in a search engine, a “banner” or link to a firm selling products in that area can be displayed. Print and television advertisements can also feature the firm’s web address, thus inexpensively drawing in those who would like additional information.
• **Customer service** - The site may contain information for those who no longer have their manuals handy and for electronic products, it provides updated drivers and software patches.

• **Market research** - Data can be collected relatively inexpensively on the Net. However, the response rates are likely to be very unrepresentative and recent research shows that it is very difficult to get consumers to read instructions. This is one of the reasons why the quality of data collected online is often suspected.

In India, the Internet population is younger, more affluent, better educated and more male than the general population. The cyberspace population is becoming more mainstream and diverse. Younger users are more likely to use the Internet for entertainment and socializing. Yet 45% of users are 40 or older and use the Internet for Investment and more serious matters. Internet users in general place greater value on information and tend to respond negatively to messages aimed only at selling. They decide what marketing information they will receive about which products and services and under what conditions. In online marketing, the consumer, not the marketer gives permission and controls the interaction.

At present, Indian consumers are used to buy products through online are greeting cards, clothes, CDs/VCDs/DVDs, cassettes, books, magazines, medicine and educational material. The popular online shops in India include:

- www.ebay.in
- www.shopping.rediff.com
- www.reliablegreetings.com
- www.amazon.com

### 2. Celebrity Influence

In India, Marketers use celebrities in their marketing communication/promotion to lend personality or image to their products. With the visual media becoming more
popular the use of celebrities in the Television media has beefed up. Headlines are created by celebrities. The activities and movements of celebrities are being closely monitored and imitated. What they endorse sell like hot cakes. Only because of this reason, using celebrities in advertisements has become very common practice today.

In India especially, it is not hard to find out the reasons as to why marketers are increasingly using celebrities. Indians always love or worship their heroes and heroines.

Consumers like advertisements more if the consumers are admirers of the celebrities in the advertisements. When a consumer likes the celebrity in the advertisement, he is more likely to agree what the celebrity speaks about the advertised product and therefore will develop more positive feelings toward the advertisement and the brand itself. Popular celebrities are capable of attracting attention and to retain attention by their mere presence in the advertisements.

In the era of advertisement clutter, the advertisements that celebrities endorse also attain very high recall rates. When people see their favored reference group members or celebrities in the advertisements, they pay more attention to them. Celebrities may also help the companies to reposition their products/brands.

3. Quality oriented outlets

Indian consumers are looking for quality vis-à-vis expensive brands as they feel that price is an indicator of quality. However, in the absence of well known brands in selected product range, they are likely to take cues from well established retail outlets hoping that these outlets carry quality products.

4. Freebies

Freebies are consumer products given free of cost as gifts to purchases of chosen products above a certain value. Televisions, two wheelers, washing machines, refrigerators, and ready made clothes are some of the product categories in which freebies are given to Indian consumers.
5. Eco-friendly products

Nowadays, Indian consumers like to purchase eco-friendly products. The marketing’s future key would be to choose more ethical and ecological responsible products and packaging which is also convenient for consumers; thus, balancing commercial considerations with environmental considerations.

METHODS, MEASUREMENT AND ANALYSIS

This is a descriptive study. The population of this research consists of active shoppers in shopping malls located in Trichy city of Tamil Nadu, India during Sep, 2009 to October 2009. A structured questionnaire was developed to measure the behavior styles of consumers in the shopping malls. The Dimension considered Personal Profiles, Customer Loyalty, Merchandise Price, Merchandise Selection, Physical Aspects, Personal Interaction and Problem Solving. The six factors construct is suitable for measuring the shopping behaviour and also used as the hypothesis to test the significance. To measure the retailing shopping behaviour of shopping malls, the five point likert response format rating from strongly disagree = 1 to strongly agree = 5, was used. In order to test the internal consistency of the six dimensions, Cronbach’s coefficient alpha scores for dimension were computed. To test the validity and significance, multiple regressions were performed.

RESULTS

As the data indicates, the large group of respondents (45%) was between 21 and 25 years old. Overall, the respondents were highly educated with 63.9% having graduate education and 37% of the respondents were private employees.

MULTIPLE REGRESSIONS

(i) Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.870</td>
<td>.758</td>
<td>.750</td>
<td>.270</td>
</tr>
</tbody>
</table>
The multiple regressions are shown in the above table. The model summary table shows R-Square for this model is .758. This means that 75.8 percent of the variation in Shopping Behaviour (dependent variable) can be explained from the 6 independent variables. The table also shows the adjusted R-square for the model as .750.

Any time another independent variable is added to a multiple regression model, the R-square will increase (even if only slightly). Consequently, it becomes difficult to determine which models do the best job of explaining variation in the same dependent variable. The adjusted R-Square does just what its name implies. It adjusts the R-square by the number of predictor variables in the model. This adjustment allows the easy comparison of the explanatory power of models with different numbers of predictor’s variable. It also helps to decide how many variables to include in the current regression model.

(ii) ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>44.133</td>
<td>6</td>
<td>7.355</td>
<td>101.086</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>14.116</td>
<td>194</td>
<td>.073</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>58.249</td>
<td>200</td>
<td></td>
<td>101.086</td>
<td>.000</td>
</tr>
</tbody>
</table>

Predictors: (Constant), Problem Solving, Merchandise Price, Physical Aspects, Personal Interaction, Merchandise Selection, Customer Loyalty
Dependent Variable: Shopping Behaviour

The ANOVA table, as displayed in the above table shows the F ratio for the regression model that indicates the statistical significance of the overall regression model. The F ratio is calculated in the same way for regression analysis as it was for the ANOVA technique. The variance Independent variable that is associated with
dependent variable (Shopping Behaviour) is referred to as explained variance. The remainder of the total variance in Independent variable that is not associated with dependent variable is referred as unexplained variance.

The larger the F ratio, there will be more variance in the dependent variable that is associated with the independent variable. The F ratio = 101.086. The statistical significance is .000 - the “Sig”. So, the null hypothesis can be rejected; i.e., no relationship exists between the two variables, but there exists a relationship between independent and dependent variables.

### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>Unstandardized</td>
<td>Standardized</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.460</td>
<td>.152</td>
<td></td>
<td>3.024</td>
<td>.003</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>.183</td>
<td>.032</td>
<td>.290</td>
<td>5.650</td>
<td>.000</td>
</tr>
<tr>
<td>Merchandise Price</td>
<td>.098</td>
<td>.027</td>
<td>.141</td>
<td>3.661</td>
<td>.000</td>
</tr>
<tr>
<td>Merchandise Selection</td>
<td>.125</td>
<td>.034</td>
<td>.159</td>
<td>3.725</td>
<td>.000</td>
</tr>
<tr>
<td>Physical Aspects</td>
<td>.140</td>
<td>.031</td>
<td>.226</td>
<td>4.580</td>
<td>.000</td>
</tr>
<tr>
<td>Personal Interaction</td>
<td>.185</td>
<td>.024</td>
<td>.330</td>
<td>7.768</td>
<td>.000</td>
</tr>
<tr>
<td>Problem Solving</td>
<td>.151</td>
<td>.029</td>
<td>.212</td>
<td>5.251</td>
<td>.000</td>
</tr>
</tbody>
</table>

Dependent Variable: Shopping Behaviour

To determine if one or more of the independent variables are significant predictors of overall shopping behaviour, it is examined through the information provided in the coefficient table. All the above five independent statements are statistically significant.

The standardized coefficient beta column reveals that customer loyalty has a beta coefficient .290, which is significant (.000). Customer loyalty has a beta
coefficient .141, which is significant (.000). Merchandise Price has a beta coefficient .159, which is significant (.000). Merchandise Selection has a beta coefficient .159, which is significant (.000). Physical Aspects has a beta coefficient .226, which is significant (.000). Personal Interaction towards Shopping Behaviour has a beta coefficient .330, which is significant (.000). Problem Solving have a beta coefficient .212, which is significant (.000). Hence personal interaction has a maximum beta value towards consumer behaviour.

To assess multicollinearity, there is the need to look at the size of Tolerance and VIF. For tolerance, small value indicates the absence of collinearity. The VIF is the inverse of tolerance, there is the need to look for large values. If the tolerance value is smaller then .10, it is concluded that multicollinearity is a problem. Similarly, if the VIF is 5 or larger, then, there also multicollinearity becomes the problem.

Since the tolerance value is substantially above .10 and the VIF is smaller than 5, it is concluded that multicollinearity among the independent variable is not a problem.

CONCLUSION

There is a significant increase of consumer awareness among the Indians due to the increasing literacy in the country, exposure to the west, satellite television, foreign magazines and newspapers.

Today, more and more consumers are making their choices on by giving prime importance to the quality of products/services.

This awareness has made the consumers of India to approach more reliable sources for purchases Example: organized retail chains. The consumer also seeks to buy from a place where his feedback is more valued and respected.

The consumers of India are price sensitive and prefer to have value for money they spend on consumption or purchase.

REFERENCES


