

RECOGNIZE THE DIFFERENT FACTORS AFFECTING THE BUYING BEHAVIOUR OF CONSUMERS IN RETAIL SECTOR

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ABSTRACT

The retail industry is one of the few that will always be active in the Indian economy, and each individual retail establishment must compete for its share of the market. Keeping your business in the hearts and minds of your clients is essential if you want to keep them around for the long haul. The retail industry is fast evolving towards the next phase. The purchasing habits of Indian customers have shifted in recent years. Indian customers' habits have shifted drastically as a result of the widespread use of the internet and social media. The purpose of this research is to better understand the dynamics of the Indian retail sector and the factors that impact customers' purchasing decisions. So, the purpose of this study is to gain a better understanding of consumers' buying habits in this potentially lucrative industry, and we find that certain criteria play the most important role in this regard.

Keywords: Consumer, Retail, Behaviour, Products, Factors.

I. INTRODUCTION

Increased disposable income thanks to the rise of the middle class and urbanisation has made India a promising market for consumer goods. Buyer behaviour has changed in cities, towns, and even rural regions as a result of increased consumer knowledge. By 2025, India is expected to become the world's fifth largest consumer market, according to a research by McKinsey & Co. published in 2010. It's clear that people are spending more money, especially on luxury items, thanks to rising incomes in the hands of a young population, a growing economy, expansion in the availability of products and services, and easy availability of credit. This is true whether we're talking about mobile phones, credit cards, clothing, or organised retail. There has been a meteoric rise in the availability of loans from corporations. This exemplifies the fierce competitiveness present in today's adapting market.

About 22% of India's gross domestic product comes from the retail sector, making it a vital part of the country's economy. One of the top five retail markets in the world, India's retail sector is valued at an estimated US\$ 500 billion. With a population of over 1.2 billion, India has quickly become one of the world's most promising retail markets. Customers' newfound restraint can be attributed to the recent economic downturn. Customers in today's fast-paced, always-connected digital economy are more price-conscious than ever before. The retail sector in India is projected to develop at a CAGR of 15% through 2016–17, reaching a massive Rs. 47 trillion (us\$ 782.23 billion). In 2013, there was an increase of around 78% from 2012's total mall supply of 2.5 million square feet to 2013's total organised retail supply of roughly 4.7 million square feet. According to statistics from the department of industrial strategy and development, FDI inflows into single-brand retail commerce totaled US\$ 98.66 million between April 2000 and January 2014. (DIPP). In 2013, most stores in India were independently owned and operated. Big-box supermarkets and convenience shops made up only 4 percent of the market in 2010, and they were limited to major cities. Over 40 million Indians, or 3.3% of the country's total population, work in retail and logistics in India. The Indian government opened up the country's multi-brand retail sector to FDI of 51% on December 7th, 2012. The Indian retail landscape now features many more points of interaction than just physical storefronts, including e-commerce platforms, social

media, contact centres, and so on. Customers now have higher expectations for their retail experience due to shifting economic factors, a plethora of product and service options, a variety of purchasing forms, and unprecedented access to information.

In the field of study known as consumer behaviour, researchers examine when, when, what, and why consumers make purchases. It combines concepts from economics, sociology, anthropology, and psychology. The study aims to unravel the mental processes that go into purchasing purchases, both individually and collectively. In an effort to comprehend customer needs, this field of study examines demographic, psychographic, and behavioural aspects related to specific consumers. It also aims to evaluate the impact of the consumer's social milieu by looking at how they were influenced by their family, friends, peers, and the larger culture. Consumer behaviour is defined by Belch and Belch (2007) as the process and behaviours individuals participate in while looking for, choosing, buying, using, assessing, and getting rid of items and services to meet their needs and wants. Companies and organisations may enhance their marketing tactics by gaining a better understanding of customer behaviour,

- Consumers' mental processes as they consider and choose among various options (e.g., brands, products);
- The consumer's susceptibility to outside influences (e.g., culture, family, signs, media);
- The consumer's actions and reactions as they shop or make other marketing decisions;
- The impact of consumers' cognitive limitations on their decision-making and marketing outcomes;
- The relationship between consumer motivation and decision-making.

The Need for Studying Consumer Behaviour in retail

Consumer behaviour is intricate and is rarely viewed as reasonable. The diversity in consumer character across national boundaries and regional boundaries is an additional obstacle. The requirements of the vulnerable customer, who may be limited in the options available to them, must also be considered. Consumers in India can be broken down into distinct groups depending on factors including education level, occupation, and household income. The creation of a rural market and a market for environmentally friendly items for a variety of consumer goods is a significant and relatively recent trend in India's consumer culture. One-third of India's GDP comes from rural areas, where three-quarters of the population resides. Ultimately, what matters most is providing value while also delivering customer happiness. Keeping up with the latest social media trends is essential in today's digital world.

The retailer faces the greatest difficulty in developing commercially viable items and services. Retailers that take the time to learn about their customers' wants and needs are more likely to come up with products that sell well. The development of any plan necessitates first gaining familiarity with customer purchasing habits. This insight proves consumer knowledge that can evaluate the success of the company's product positioning efforts and guides the selection of appropriate communication channels. The company evaluates the performance of its product positioning by gauging consumer reaction to its offerings and determining whether or not the two are a suitable fit. It's important for stores to get to know their customers so they can better serve them by learning when, when, and why their clients utilise the products they sell. When a store owner has a firm grasp on what customers want, he can conduct an impartial assessment of his own strengths and weaknesses. Perhaps shocking findings and guidance for future differentiation efforts might emerge from such a research.

II. REVIEW OF LITERATURE

Nancy Chopra and Cheshta Kashyap (2021) Retailers, whether chaotic or well-organized, need to stand out more to assist and attract customers in today's fast-paced society, taking into account factors like average income, family composition, consumer preferences, and more. Rising expectations, ideal socioeconomics, a developing female population, cuisine, and style are just a few of the characteristics that point to the retail industry as the next big thing. Retailers now have to organise their businesses to attract new customers while also maintaining the loyalty of existing ones in order to compete in highly competitive industries and increase their profits. The analysis considers a wide range of categories, including furniture, footwear, food, and beverages, to determine if customers prefer to shop for lodging necessities at a well-organized or disorganised store. Also, the focus examines several methods for boosting customer satisfaction in both streamlined and convoluted retail settings.

Tshepo Tlapana (2021) The store's design has a major role in shaping the impression customers have of the business and how they behave when shopping there. A store's layout is very important since it affects the store's operating efficiency, customer satisfaction, and the quality of the shopping experience. Some customers may decide to shop elsewhere if the store's design isn't consistent, since this might cause them to wait longer for their purchases or prevent them from finding the items they need. Improved store design may bring about significant increases in foot traffic, sales, and revenue. The primary purpose of this research was to learn if proprietors of Kwa Mashu's independently-owned convenience stores are cognizant of the impact that physical layout has on customers' decisions to buy. A quantitative research was conducted in Kwa Mashu convenience shops using self-administered questionnaires to attain the study's objectives. In all, 400 people filled out the survey for the research. Convenience sampling and other forms of non-probability sampling were employed to pick the respondents. After that, we drew our final conclusions and made our suggestions based on the study's findings and the existing literature. It seems that customers have problems with the store's layout, as indicated by this poll. It was determined that the store's aesthetics, product presentation, retail environment, in-store service, and accessibility are major factors in this discomfort. Hence, it is suggested that convenience store operators in Kwa Mashu pay attention to the aforementioned areas and make sure that measures are adopted to help clients where there is a need.

Parsad, et al (2019) In addition, several associations between customers' self-perceptions and their shopping preferences have been identified and linked to distinct demographic characteristics of the customer base. Being the primary strategy for addressing these issues in the Greek staple food sector, momentum research offers a wealth of opportunities for further investigation. This essay makes an effort to understand and investigate the clear and well-known effects of store displays, impulse buying, and purchase motivation on the post-purchase struggle experienced as regret. The examination was guided by the research approach, and the suggested model was explored by illustrating the underlying problem. According to the findings of the study, customers' feelings of disappointment are strongly linked to impulse purchases. The focus also highlighted the positive and negative influences on impulsive purchase intentions, which were linked to subsequent purchases. In India, they conducted this particular test. Including other perspectives into the review will make the analysis more useful for making predictions.

Subrato Dey (2017) Indian consumers' spending habits, particularly when using their own money, have evolved in recent years. Indian consumers' buying habits have changed dramatically as the trend of using virtual entertainment has become more widespread. Rapid urbanisation in India is a constant anomaly that has a significant impact on consumer preferences. Focus is placed on how consumers think about shopping, what they buy, and how they interact with the Indian market. It would be a mistake to ignore rural India, as it is home to 75 percent of the country's people and accounts for 33 percent of India's Economy. The primary objective must be to create value for the buyer while also winning their hearts and minds. Keeping abreast of the most recent developments in computerised advertising is essential in the modern world.

Siringoringo, Hotniar, and Kowanda Anacostia. (2009) Specifically, this research aims to compare and contrast shoppers' habits across a variety of store types. The buying behaviour of consumers is exhibited by their purchasing intentions, attitudes about contemporary retail outlets, and routines while shopping. The information was collected by a self-administered questionnaire. The data was gathered from five distinct types of stores: supermarkets, convenience stores, discount department stores, and hypermarkets. Structural Equation Modeling (SEM) was used to analyse consumers' buying habits, and multi-level Lisrel analysis was employed to determine whether or not shoppers' habits varied depending on the store format. According to the consumer purchasing model, one's shopping intentions are influenced by one's perspective on today's retail environment and one's usual methods of making purchases. There was expected to be a variation in this behaviour between the three types of stores, however the data shows otherwise.

Paul Robert and Robert Jones (2013). For nearly 50 years, discussions about consumer behaviour have dominated the retail and marketing industries. The complexity and significance of studying consumer behaviour is only now becoming apparent. Many distinct differences between shoppers and consumers have been established via studies. Differentiating between the two helps to better assist the shopper. Retailers need to know what their customers want before they can successfully convey it to them. For this evaluation, a specialised collection of retail-oriented resources is required. Here we'll compare shoppers to consumers, analyse shopping trends, and look at how stores may adapt to meet customers' ever-shifting preferences. First, let's look at the customer.

III. RESEARCH METHODOLOGY

The goal of this research is to examine the elements affecting shoppers' decisions in retail shops of markets. This research was carried out in a quantitative setting. A descriptive method was employed for the analysis. One hundred people were polled using a predetermined set of questions. Those who participated in this survey are avid shoppers who frequently visit retail markets. The information was gathered by talking to the respondents directly. The responses to this survey were tabulated and evaluated to display their collective thoughts. When the survey was finished, the collected data were double checked. SPSS was used to conduct statistical analyses on the acquired data.

IV. RESULTS AND DISCUSSION

Factors influencing consumer buying behaviour

Monthly visits and average transaction value were utilised as measurements of customer purchasing activity, and one-way ANOVA was performed to identify and differentiate the factors that most strongly influence these metrics.

Table 1: Physical Factors affecting consumer behaviour

S. No	Factors	Mean	No of visits per month (Sig values of F)*	Amount spent per visit (Sig values of F)*
1	Variety	3.01	0.093	0.602
2	Discounts	4.12	0.005	0.041
3	Quality	3.88	0.015	0.003
4	Local Brands	4.11	0.002	0.06
5	Facilities	2.57	0.826	0.075

6	Credit/debit card facility	3.88	0.721	0.039
7	Display	4.15	0.02	0.237
8	Visual Appeal	3.80	0.798	0.039

*Significance at 5% level

There is a statistically significant correlation between the two measures of consumers' purchasing habits and the variables with values less than 0.05. So, with respect to the material aspects, the availability of regional brands, and to a lesser extent discounts, quality presentation, and aesthetic appeal are the most important ones in influencing consumer behaviour.

Table 2: Social Factors affecting consumer behaviour

S.No	Factors	Mean	No of visits per month (Sig values of F)*	Amount spent per visit (Sig values of F)*
1	Ambience	4.37	0.281	0.31
2	Salesman Behaviour	4.22	0.008	0.44
3	Choice of Children	3.88	0.346	0.21

*Significance at 5% level

There is a statistically significant correlation between the two measures of consumers' purchasing habits and the variables with values less than 0.05. Atmosphere, salesperson conduct, and the presence of children are thus the most important social influences on consumer behaviour.

Table 3: Temporal Factors affecting consumer behaviour

S.No	Factors	Mean	No of visits per month (Sig values of F)*	Amount spent per visit (Sig values of F)*
1	Parking Space	3.01	0.023	0.43
2	Open Space	3.80	0.801	0.39
3	Proximity	3.70	0.601	0.11
4	Timings	4.12	0.246	0.22
5	Spending Time	4.10	0.21	0.08

*Significance at 5% level

There is a statistically significant correlation between the two measures of consumers' purchasing habits and the variables with values less than 0.05. Hence, among the temporal aspects, parking availability, opening hours, and total time spent shopping are the most important.

The research shows that there are many different physical, social, temporal, and demographic factors that can be taken into account when analysing a consumer's supermarket shopping behaviour, but only a select few of these factors have a significant enough impact on the measures of consumer buying behaviour, such as the number of trips per month and the average amount spent on each trip. This research makes a significant contribution to the retail industry on three fronts. To begin, the study's findings about the importance of physical, social, and temporal variables to the performance of a retail business are significant.

V. CONCLUSION

Lifestyle shifts, such as frequent trips to stores for a variety of reasons, including deals, sales, and ambience, have an impact on consumers' buying habits. So, success for retailers depends on their ability to predict and adapt to customers' shopping habits. In order to effectively reach their target audience, marketers will need to have a firm grasp on the many facets of customers' buying behaviours. Retailers' tactics and approaches are heavily influenced by shoppers' buying habits. Because of rising disposable income, a larger share of the population under the age of 25, and shifting views on purchasing, Indian consumers are altering their shopping habits.

Errors in sampling, in measurements, and in the influence of the interviewers are all potential pitfalls in this study. Researchers are also interested in hearing suggestions for studying the effects of shoppers' actions on the store's atmosphere and other variables.

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