ORGANIZED RETAILING AND CUSTOMER PURCHASE DECISION

Nazia Afreen[1]

Abstract

Organized retail sector players have been largely restricted to urban areas. In fact, their emergence and growth has been phenomenal in metropolitan cities and in other large cities. However, of late, organized retail has started making inroads even into smaller cities 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. This paper empirically analyses the impact of organized retailing on customer purchase decision and the results of the same have been concluded accordingly.

Keywords: customer, purchase decision, organized retailing, buyer behavior

Introduction

Services sector contributes to GDP specifically the retail sector in India witness a huge overhaul be appropriate as traditional markets make way for new formats in suitable formats for categorizing suitable to customer profiles. The retail sector is one of the fastest growing ones in India It attempts to understand the buyer purchase decision, both. It studies characteristics of individual consumers. Malls have started appearing in metros and second - rung cities similar introducing consumer to an innovative shopping experience like never before. This sector is at a conjugation tip where the growth of organized retailing and growth in the consumption is going to take a higher growth route. As nation is witnessing a considerable change, in its demographics organized retail is on all time high. Human beings are greatly influenced in their buying actions by various factors like opinion of others, marketing stimuli like product, advertising, packaging and product manifestation. Consumer buying behavior refers to the buying behavior of the ultimate consumer. Most of the consumers respond to propagation or cognitive elements. These elements or factors make marketers or retailers to set strategies that fit the most appropriate. Due to this the growth in retail is tremendous and this growth is boosted by various factors such as availability of resources, technology, professionals, media propagation, various brands which are gaining

[1] Associate Professor, Shadan Institute of Management Studies for Girls, Hyderabad

value thereby eye-catching industry expansion, accessibility of various funding options, regulations like GST implementation to make processes simple, sea change in demographics of country and worldwide experience.

Review of literature

Geetika (2009): observed in their study that the growth strategy employed by all organized retail organizations of mounting their number of stores backfired when rentals dramatically shot up following the global economic trim down. Profitability is gravely vulnerable and roughly all principal retailers are now under pressure to uphold their bottom line. Average operating profit edge declined from 9.5% in 2007 to 7.9% in 2008. The nastiest element is that such a radical expansion in the digit of retail outlets was supported by significant power which is probable to additional wound these organized retailers" liquidity and profitability levels.

Lin and Ding (2010) even consider the delight of seeking procedure of shopping as one of characters of online consuming, which indicates that consume online appeases the real demand of shopper and offers a hyperbolic pleasure to them in the shopping process meanwhile.

Sina, (2012) mentioned that after several years of advancement, e-commerce market provides multifarious and numerous goods for clienteles to select, purchasing well-content products or services so far

Objectives of the study

1. To study the concept of organized retailing and consumer purchase decision
2. To study the impact of organized retailing on consumer purchase decision

Hypothesis

Null Hypothesis (H_0): There is no significant relationship between respondent’s average monthly income and frequency of purchase.

Methodology

Type of study: descriptive

Sources of Data; Both primary and secondary

Sampling unit: select Malls in Greater Hyderabad city limits

Sampling Area: Greater Hyderabad city limits

Sampling method: Simple random sampling

Sample Size: 50 respondents

Table

Demographic factors			
		Frequency	**Total %**
Age	**Below 20 Years**	**2**	**4**
	20-30 years	**15**	**30**
	30-40 years	**20**	**40**
	40-50 years	**9**	**18**
	50 and above	**4**	**8**
	Total	**50**	**100.0**
Marital Status	**Married**	**40**	**80**
	Unmarried	**10**	**20**
	Total	**50**	**100.0**
Gender	**Male**	**18**	**36**
	Female	**32**	**64**
	Transgender	**0**	**0**
	Total	**50**	**100.0**
Income	**Upto Rs 10000**	**13**	**26**
	Rs 10000-20000	**22**	**44**
	Rs 20000-50000	**8**	**16**
	Rs 50000 and above	**7**	**14**
	Total	**50**	**100.0**

Source: primary data

Interpretation: On the basis of select demographic factors specified above with regards to age 4% of the respondents are in the age group of Below 20 years, 30% are between 20- 30 years 40% i.e., majority of respondents/customers are in the age group of 30-40 years, 18% respondents are in the age group of 40-50 years and 50 years and above are 8%.

With regard to marital status 80% respondents are married, 20% respondents are unmarried and out of 50 respondents 36 percent belongs to male gender demographics and remaining I.e, 64 percent respondents are females and no individual interviewed are in transgender group.

Out of 50 respondents administered the structured questionnaire, 26 percent are in the income group of below Rs: 10,000, 44 percent respondents belongs to Rs:10,000-20,000 earn income per month, 16 % interviewed are in Rs: 20,000-50,000 income range, and 14 percent respondents average income per month is 50,000 and above.

Table : Elements will promote you to purchase in malls/retail stores

	Strongly agree	agree	Neither or nor	disagree	Strongly disagree	Total
Value addition	2	2	1	1	0	
Convenient	2	5	2	1	0	
Time saving	4	5	3	2	0	
Huge Merchandize	3	8	2	1	0	
Specific product information	1	2	2	1	0	

	12	22	10	6	0	50

Source: Primary Data

Table : Frequency of grocery purchases

	Frequency	%
Once in a month	20	40
As and when required	21	42
Once in a week	9	18

Interpretation:

On the basis of frequency of grocery purchases 40% of the respondents mentioned once in a month, 21 percent mentioned as and when required and only 9 percent mentioned once in a week.

Table : Cross Tab of Respondents Income and Frequency of Purchase

Respondents Avg Mthly Income	Respondents Frequency of Purchase			Total
	Monthly	As and When Reqd	Weekly	
Upto Rs 10000	1	11	1	13
Rs 10000-20000	15	5	2	22
Rs 20000-50000	3	4	1	8
Rs 50000 and above	1	1	5	7
Total	20	21	9	50

Source: Primary Data

H_0: There is no significant impact of Income on purchase frequency

ANOVA-**Table : Cross tabulation of Income and Frequency of Purchase**

Anova: Two-Factor Without Replication				
SUMMARY	**Count**	**Sum**	**Average**	**Variance**
Upto Rs 10000	**3**	**13**	**4.333333**	**33.33333**
Rs 10000-20000	**3**	**22**	**7.333333**	**46.33333**
Rs 20000-50000	**3**	**8**	**2.666667**	**2.333333**
Rs 50000 and above	**3**	**7**	**2.333333**	**5.333333**
Monthly	**4**	**20**	**5**	**45.33333**
As and When Reqd	**4**	**21**	**5.25**	**17.58333**
Weekly	**4**	**9**	**2.25**	**3.583333**

Source of Variation	***SS***	***Df***	***MS***	***F***	***P-value***	***F crit***

Rows	**47**	**3**	**15.66667**	**0.616393**	**0.629255**	**4.757063**
Columns	**22.16667**	**2**	**11.08333**	**0.436066**	**0.665548**	**5.143253**
Error	**152.5**	**6**	**25.41667**			
Total	**221.6667**	**11**				

Source: Primary Data

ANOVA Two-way to find whether there is any significant impact of Respondents Average Income and Frequency of Purchase

□□ = 0.05 **H_0 Accepted**

Between Rows:
F calculated value=0.616393 (at Degree of Freedom 2, 11)
Table Value: 4.757063
Since F cal value is < than F table value **Accept H_0**

Between Columns:
F calculated value=0.436066 at Degree of Freedom (6, 11)
Table Value: 5.143253
Since F cal Value < Table Value **Accept H_0**

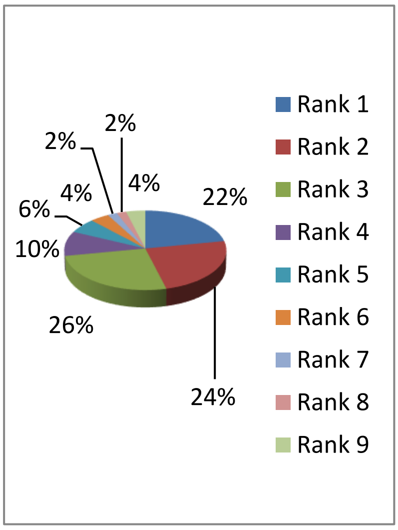
Hence it is found that there is no significant impact of Average income of respondent on purchase frequency

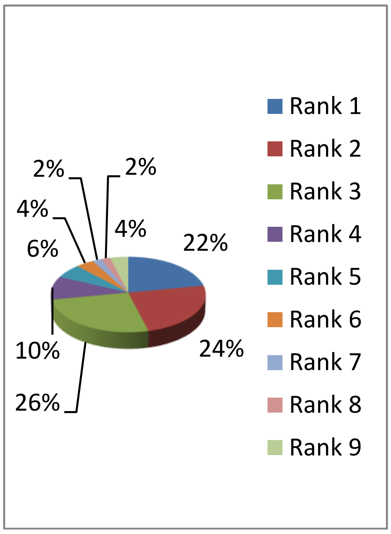
Table: Parameter for decision making

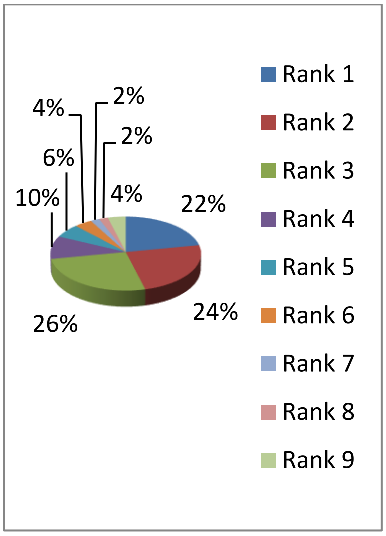
Imp Parameter in Decision Making	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Rank 9
Store nearby	24	8	6	4	2	2	2	1	1
Discounts and offers	11	12	13	5	3	2	1	1	2
Parking facility	6	4	5	10	9	6	4	4	2
Faster billing or no longer waiting	10	11	10	5	4	4	5	4	1
Huge merchandize	8	14	10	10	4	2	3	3	4
Brand Image of the store	25	5	6	3	3	4	2	1	1
Trained employees	12	10	10	8	2	3	3	3	2
Pleasant interiors & music	10	18	6	4	4	4	2	1	1
Greater Shopping experience	15	13	5	4	3	3	3	2	2

Source: Primary Data

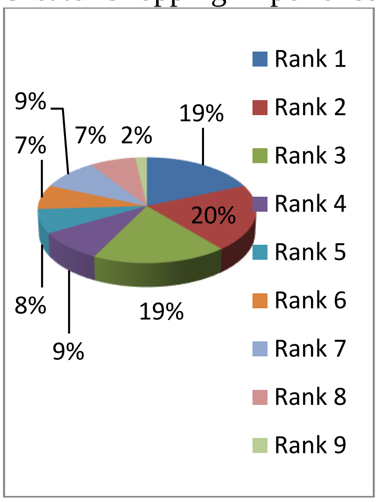
Brand Image of the store Parking facility Discounts and offers

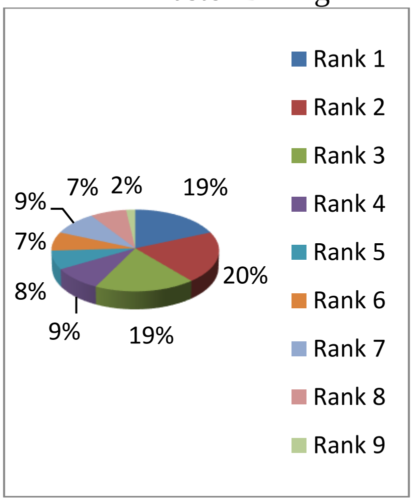


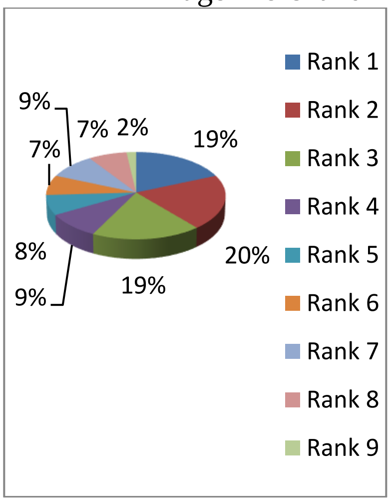




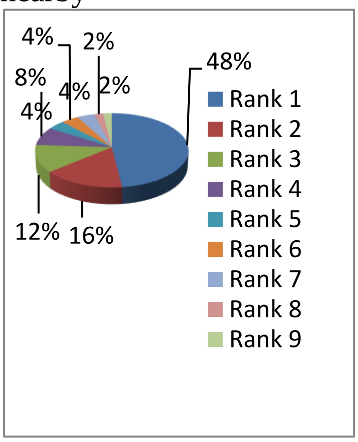
Greater Shopping Experience Faster Billing Huge Merchandize

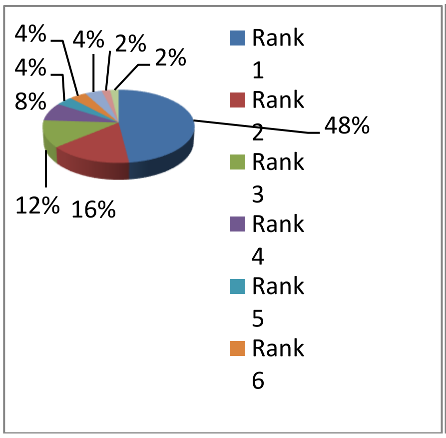


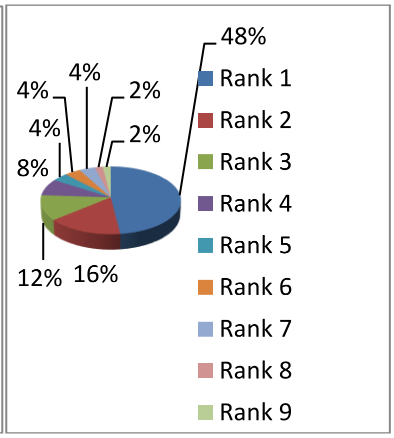




Trained employees Pleasant interiors & music Store nearby







Interpretation:

Highest ranked parameter under each rank is – Rank 1: Store nearby, Rank 2: Huge merchandize,, Rank 3Brand Image, Rank 4: Discounts and offers, Rank 5: Faster Billing, Rank 6: Trained Employees Rank 7: Pleasant Interiors, Rank 8: Overall Shopping Experience and Rank 9: Parking Facility.

Conclusions

1. It indicates that most of them will buy as and when required and once in a month.
2. It indicates that most of the respondents are females from the study area are making their grocery purchases from retail stores.
3. Test of Hypothesis has been conducted and the results of the analysis have been found that there is no significant impact of Average income of respondent on purchase frequency

References

1. Sina, E-commerce outsourcing blog. Eight years ago, the online shopping market is no rule at all, buyers and sellers full of distrust.
2. Lin Li and Ding Hongfu, (2010). Analysis of affecting factors on consumer Purchase Intention in the network environment. Journal of China bussines & trade, Vol. 2, p 14-15