

Analysis of Consumer Buying Behaviour for Organized Retail : A Case Study of Reliance Mart, Ranchi

* Dr. Jay Prakash Verma

Abstract

Change is a consistent process. It is inevitable and encompasses every Organization irrespective of its size, strength, and past performance. It's not only the business which is evolving; the whole economy is undergoing a significant shift. India is witnessing an unprecedented consumption boom. The economy is growing between 8 to 10 percent and the resulting in improvements in income dynamics along with factors like favorable demographics and spending patterns are driving the consumption demand. The attitudinal shift of the Indian consumer in terms of 'Choice Preference', 'Value for Money' and 'The emergence of organized retail formats' have transformed the face of retailing in India. Analyzing and understanding the consumer and his behavior is the cornerstone of success in marketing. It includes all the physical, mental and emotional processes and concerned behavior which are observable before, during and after each and every purchase of goods and services. This makes us compelling to understand, observe record and react to such behavior in case we want to have a win-win strategy that matter for the marketer and the customer both.

Keywords: Organized Retail, Durable Goods, Consumer Perception, Purchase Behavior, Economy, Choice Preference, etc

Introduction

A durable good or a hard good is a good which does not quickly wear out, or more specifically, it yields services or utility over time rather than being completely used up when used once. Durable goods are typically characterized by long inter purchase a time that is the time between two successive purchases. Most goods are therefore durable goods to a certain degree. Durable goods generally have a life span of more than 3 years. Goods that aren't consumed or quickly disposed of, and can be used for several years are called durable goods.

The demand for consumer durables is rising with the increase in credit availability at finer rates and change in the lifestyle of the people. The Federation of Indian Chambers of Commerce and Industry (FICCI, 2005) has carried out a comprehensive Survey of industries in the consumer durable goods sector. The survey which is based on feedback and interaction with representatives of consumer durables industry, allied industry organizations, associations, government agencies, and public sector undertakings; reveals that the sector is poised for a wide jump due to technological improvisation, falling prices

due to competition, aggressive marketing, and declining import tariffs.

Cooper (1994) explained that household appliances have become a cultural convenience and necessity in modern homes. Many household decisions evolve around household technology or at least the availability thereof. There is a dramatic change in the behavior of the consumer with the increase in their disposable incomes. The consumers have started perceiving many of the luxury goods as necessities (Jagwinder Singh).

Hansen (1992) states that products such as appliances that are expensive and regarded as socially visible products that have to last for a considerable period of time and are not bought frequently, consumers' uncertainties create anxiety over the possibility of making errors. This uncertainty is typically described in terms of various types of levels of risk perception, financial risk, social risk, psychological risk and functional risk perception.

*Assistant Professor Xavier Institute of Social Service, Ranchi, India

Shopping

Shopping has been defined as the act identifying the store and purchasing from it. A shopper goes through a process of 'see-touch-sense-select', in order to buy a product. The degree to which a consumer follows the whole or part of this process varies with brand, product category and other elements of the marketing mix and the shoppers could become 'blinkered', 'maggie' or 'browser' [Connolly and Firth 1999]. The shopping environment refers to the landscape of shopping, as it did from the first departmental store to present-day malls to virtual shopping through the internet. It has been found that shoppers behave differently depending on the type of shopping situations (Sinha and Uniyal, 2005).

The retail environment today's changing more rapidly than ever before. It is characterized by intensifying competition and more sophisticated and demanding customers who have great expectation related to their consumption experience (Sellers, 1990; Smith, 1989; Parekh, 2006). Economists view shopping as an activity that allows consumers to maximize their utility function (Michelle Bergadaa, 2001). However, for some it is an act of killing boredom, for others, it leads to self gratification and to another category it gives a sense of emotional fulfillment (Tauver, 1972; Sinha, 2003). Bellenger and Korganonkar (1980) also found that people exhibit either 'economic' or 'recreational' shopping behavior. It has also been observed that consumers tend to differ in their behavior across shopping situation which could be linked with their level of involvement in the process of shopping (Sinha and Uniyal, 2005).

Reliance Mart

Reliance Retail Ltd. is a subsidiary company of Reliance

Industries. Founded in 2006 and based in Mumbai, it is the largest retailer in India in terms of revenue. Its retail outlets offer foods, groceries, apparel and footwear, lifestyle and home improvement products, electronic goods, and farm implements and inputs. The company's outlets also provide vegetables, fruits and flowers. It focuses on consumer goods, consumer durables, travel services, energy, entertainment and leisure, and health and well-being products, as well as on educational products and services. It has a total of 3,383 stores as of June 2016 in India with an area of over 13 million square feet across 210 cities.

Methodology

The research design used in this research is descriptive in nature. The people who are visiting to Reliance Mart were taken as respondents. The objective of the study is to analyze the perception of customers at Reliance Mart, especially for the Durable goods. Reliance Martstore at Kanke Road, Ranchi, Jharkhand was chosen for the study. The sample size was taken as 120. The respondents were asked to give their responses by the way of filling the questionnaire. After that the data were analyzed using tools to derive the results.

Results and discussion

The data were collected from 120 respondents and they were analyzed by using the appropriate tools. In this study percentage analysis and Chi Test were used. The results are explained in the following pages:

Table 1 (a) : Occupation of the Respondents

Occupation of the Respondents	No. of Respondents
Business	60
Government Employee	10
Private Employee	20
Professionals	30

Source: Primary Data

Table 1 (b) : Income of the Respondents

Income Group	No. of Respondents
<Rs. 20000 pm	37
Rs. 20000 pm to Rs. 40000 pm	31
Rs. 40000 pm to Rs. 60000 pm	29
> Rs. 60000 pm	23

Source: Primary Data

Table 1 (a) shows that among 120 respondents 60 of them had businesses as their occupation, and 30 of them were professionals.

Table 1 (b) shows that among 120 respondents 37 of them fall under the income group of less than Rs. 20000 p.m. 31 of them fall under the income group of Rs. 20000-Rs. 40000 p.m. and 29 of them fall under the income group of Rs. 40000-Rs. 60000 p.m.

Table 2 (a) : Frequency of visit to Reliance Mart

Frequency Visit	No. of Respondents
Weekly	17
Bi-weekly	28
Monthly	62
Once in Two Months	13

Source: Primary Data

Table 2 (b) : Reason to shop at Reliance Mart

Reason	No. of Respondents
Good Service	24
Cost Efficient	32
Availability of Brands	26
Promotional Offers	38

Source: Primary Data

Table 2 (a) shows that from the survey of 120 customers, 62 of them visit Reliance Mart monthly, and 28 of them visit weekly.

Table 2 (b) shows that among 120 respondents 38 of them prefer to shop at Reliance Mart due to promotional offers, 32 of them shop at Reliance Mart because it is cost efficient and 26 of them due to the availability of brands.

Table 3 shows the break-up value for the monthly income of the respondents with preference to shop at Reliance Mart.

Table 4 shows Chi-square table for the monthly income of the respondents with preference to shop at Reliance Mart.

NULL HYPOTHESIS (H_0)

There is no significant relationship between monthly incomes of the respondents with the preference towards Reliance Mart.

ALTERNATIVE HYPOTHESIS (H_1)

There is a significant relationship between monthly incomes of the respondents with the preference towards Reliance Mart.

Table 3

Preference/ Income	Less than Rs. 20000 pm	Rs. 20000 pm to Rs. 40000 pm	Rs. 40000 pm to Rs. 60000 pm	More than Rs. 60000 pm	Total
Good Service	6	8	5	5	24
Cost Efficient	9	7	8	8	32
Availability of Brands	7	11	6	2	26
Promotional Offers	15	5	10	8	38
Total	37	31	29	23	120

Source: Primary Data

Calculated value= 10.01; Tabulated value for 9 d.f. @5% level of significance=16.91.

It is inferred from the above table that H_0 is accepted @ 5% level of significance.

Table 4

Observed value (O)	Expected Value (E)	(O-E) ²	(O-E) ² /E
6	7.4	1.96	0.26
8	6.2	3.24	0.52
5	5.8	0.64	0.11
5	4.6	0.16	0.03
9	9.8	0.64	0.07
7	8.2	1.44	0.18
8	7.7	0.9	0.12
8	6.1	3.61	0.59
7	8	1	0.13
11	6.7	18.49	2.76
6	6.2	0.4	0.06
2	4.9	8.41	1.72
15	11.7	10.89	0.93
5	9.8	23.04	2.32
10	9.1	0.81	0.09
8	7.2	0.64	0.09
			10.01

Source: Primary Data

Result

Ho is accepted. There is no significant relationship between monthly incomes of the respondents with the preference towards Reliance Mart.

Conclusion

After the thorough analysis of the available data, it has been found that rise in income of the consumers along with the effect of modern culture the purchasing power of the people has increased. Shopping has become more and entertainment than a utility aspect for people. It also reflects that occupation and income of the consumers have the greater impact on the frequent visit of them to organized retail outlets like Reliance Mart. Apart from store ambience features like service, cost and availability of products drag the interest of the consumers that induce the preference to shop at Reliance Mart.

Since Indian retail market is increasing continuously, people are purchasing goods as there is an increase of income of

common people as well as the change in taste for preference and lifestyle of consumers. It is important for the retail players to be able to understand the different factors affecting the extent in impulse buying behavior.

References

1. *Burke, S.J. (1990), 'The effect of missing information on decision strategy selection', Journal of Advances in Consumer Research, 17, pp. 250-256.*
2. *Connolly A and Firth D (1999), "Visual Planning-The power of Thinking Visually", The Journal of Brand Management, Vol. 6, No. 5, pp. 161-173.*
3. *Cooper, T (1994) "The longer life option", New Economic Foundation, London, UK.*
4. *Dash, Joseph F., Schiffman, Leon G., and Berenson Conrad (1976) "Information Search and Store Choice" Journal of Advertising Research, June, Vol. 16, No. 3, pp. 35-40.*

5. Downham, J.S. and Treasure, J.A.P. (1956), *Market Research and Consumer Durables, the Incorporated Statistician*, Vol. 7(3), pp. 108-117.
6. FICCI Research Division, *FICCI Consumer Durable Goods Survey (2005)*.
7. Hansen, D.E. (1992), "Issues in Consumer Choice with uncertain Product Outcomes", *Journal of Consumer Research*, 19, pp. 175-176.
8. Hansen, Robert et al. (1997), "An Empirical Investigation of Attribute Importance in Retail store Selection", *Journal of Retailing*, 53, pp.59-72.
9. Jagwinder Singh (2011), "A comparison of Rural and Urban Buying of Consumer Durables", *Global Journal of Management and Business Research*, Vol. 11. Issue 5.
10. Michelle B., Corrine F., Jean P., (1995), "Enduring Involvement with Shopping", *Journal of Social Psychology*, 135 (1), pp. 17-25.
11. Parikh, Darshan(2006), "Measuring Retail Service Quality: An Empirical Assessment of the Instrument", *Vikalpa*, 31(2), April-June, pp. 45-55.
12. J. Rani., Maran T., "Customers Perception on Durable Goods with reference to Organized Retail" *Excel India Publishers, New Delhi, 2014. Pg. 389-394.*
13. Sellers P. (1990), "What Customers Really Want", *Fortune*, 121 (13), pp. 58-68.
14. Smith. T. (1998), "Nurturing a Customer Service Culture", *Retail Control*, October, pp. 15-18.
15. Tauber E. (1972), "Why Do People Shop", *Journal of Marketing*, 36 (Oct.), pp. 56-59.