A STUDY ON CONSUMER BUYING BEHAVIOUR FACTORS IN SHOPPING MALLS IN HYDERABAD CITY

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ABSTRACT

Retail is currently the flourishing sector of the Indian economy. This trend is expected to continue for at least the next two-three decades, and it is attracting huge attention from all entrepreneurs, business heads, investors as well as real estate owners and builders. Availability of quality, retail space, wider availability of products and brand communication are some of the factors that are driving the retail in India Retail sector is also supporting to create huge employment while a new form of organized retail sector has emerged within the retail industry and it gave speedy phase to Indian retail sector. The rationale of the study is two-fold: First, to examine the nature of changes in the retail sector taking place due to organized form of retailing and implications of shift to this new form of retailing. Secondly, this area has remained largely an unexplored part of research till date especially in the Indian context. According to the 10th Annual Global Retail Development Index (GRDI) of A.T. Kearney, India is having a very strong growth fundamental base that's why it's the perfect time to enter into Indian Retail Market. Indian Retail Market accounts for 22% of country's GDP and it contributes to 8% of the total employment. The total retail spending is estimated to double in the next five years. Of this, organized retail –currently growing at a CAGR of 22%- is estimated to be 21% of total expenditure.

Keywords: Consumer, Attitude, Merchandise, Gender, Payment

INTRODUCTION

Retail is the sale of goods to end users, not for resale, but for use and consumption by the purchaser. The word retail is derived from the French word retailer, meaning to cut a piece off or to break bulk. In simple terms, it implies a first – hand transaction with the customer. Retailing can be defines as the buying and selling of goods and services. It can also be defined as the timely delivery of goods and services demanded by consumers at prices that are competitive and affordable. In 2004, The High Court of Delhi defined the term 'Retail' as a sale for final consumption in contrast to a sale for further sale or processing (i.e. wholesale), a sale to the ultimate consumer. Thus retailing can be said to be the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturers and institutional buyers such as the government and other bulk customers. Retailing is the last link that connects the individual consumers with the manufacturing and distribution chain. Retailing is the largest private industry in India and second largest employer after agriculture. The sector contributes to around 10 per cent of GDP and 6-7 per cent of employment. With over 15 million retail outlets, India has the highest retail outlet density in the world. This sector witnessed significant development in the past 10 years – from small unorganized family-owned retail formats to organized retailing.

How the Retail Customer Does thinks?

Liberalization of the economy, rise in per capita income and growing consumerism have encourage larger business houses and manufactures to set up retail formats; real estate companies and venture capitalist are investing in retail infrastructure. Many foreign retailers have also entered the market through different routes such as wholesale cash-and-

carry, local manufacturing, franchising, test marketing, etc. With the growth in organized retailing, unorganized retailers are fast changing their business models and implementing new technologies and modern accounting practices to face competition

LITERATURE REVIEW

Ghosh et al (2010) presented that the retail industry in India is acknowledged as a sunshine sector and is driven by factors like strong income growth, changing lifestyles and favorable demographic patterns. Having cemented its presence in metros and tier-I cities, retailers are allured by opportunities in tier-II and tier-III cities like low-cost real estate and shifting consumption patterns of consumers who are graduating to affluence and lifestyle purchases.

Reddy et al (2010) in their study on retailing undertaken in Andhra Pradesh examined the growth and the performance of modern retailing and its impact on traditional retailers. The study indicates that the number of players is less in modern retailing than in the traditional retailing. Vertical analysis between the two chains has also indicated the same results. For instance, in case of vertical distribution in the traditional value chain, 19.8 per cent of the gross value goes to farmers, 11.3 per cent goes to village merchants, 14.3 per cent goes to middlemen, 15.3 per cent goes to wholesalers, 12.0 per cent goes to commission agent, 16.8 per cent goes to rythu bazaar and the remaining 10.8 per cent goes to traditional retailers.

Murugavel (2011) expressed that the retail scenario is one of the fastest growing industries in India over the last couple of years. Indian retail sector comprises of organized retail and unorganized retail sector. Traditionally the retail market in India was largely unorganized however, with the changing consumer preferences organized retail is gradually becoming popular. More than 90% of retailing in India falls into the unorganized sector whereas the organized sector is largely concentrated in big cities.

Rahman (2012) remarked that the Retail bazaar in India is booming beyond everyone's expectation. The Indian Retail sector has caught the world's imagination in the last few years. India's retail growth is largely driven by increasing disposable incomes, favorable demographics, changing lifestyles, growth of the middle class segment and a high potential for penetration into urban and rural markets. The organized retail sector accounts for 5 % which has grown to 10 % by the end of 2011. A number of large corporate houses like Aditya, Bharti, Reliance, Pantaloon, Vishal, Tata's, RPG, Raheja's and Piramals's have diversified to add retail to their sector portfolio.

Retailing is one of the largest industry in India and one of the biggest sources of employment in the country. Retail sales in India amount to $180 billion and account for 10-11 % of gross domestic product. The Indian retail market has around 14 million outlets and has the largest retail outlet destiny in the world, (Sinha and Uniyal, 2007). The retail industry in India is largely unorganized and predominantly consists of small, independent, owner-managed shops. However the retail sector in India is witnessing a huge revamping exercise as the traditional retailers are making way for new formats. These modern retail formats provide wide variety to customers and offer an ideal shopping experience with an amalgamation of product, entertainment and service, all under a single roof. The Malls, convenience stores, department stores, hyper/supermarkets, discount stores and specialty stores are the emerging retail formats that provide different shopping experience to consumers, (Sinha and Kar, 2007, Kotler, 2006).

OBJECTIVES

1. To analyze the customers perception with respect to brands towards in Durable/ Non durable goods of retail stores in Hyderabad region.
2. To study the attributes that influence consumers' preferences towards emerging retail Formats
3. To study the impact of demographic factors on consumers' preferences of various brands in emerging retail formats.

Hypothesis

H_{01}: There is no significant relation between mode of transport to shopping and available parking facility.

H_{02}: There is no relation between occupation of the consumer and store ambiance impact on shopping mall.

H_{03}: There is no association between gender and freshness of merchandise in shopping malls.

H_{04}: There is no significant relation between occupation of consumer and impact of credit card facility in shopping.

Sample

The sample for the present study contains the frequent buyers /visitors of retail outlets and shopping malls in Hyderabad city. The present study frame can be defines as the retail consumers in Hyderabad of Telangana state.

Sample Size

The present study contains 500 respondents' opinions for the purpose of the data analysis and interpretation.

Tools for Analysis

SPSS 20.0 was utilized for the purpose of data analysis to draw meaningful results for the proposed study.

DATA ANALYSIS
Factor Analysis (Consumer Buying Behaviour)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.735
Bartlett's Test of Sphericity	Approx. Chi-Square	193.620
	df	45
	Sig.	.000

Factor Analysis is a data reduction technique. It also helps in structure detection among the variables and further helps in studying the underlying crucial factors that cause the maximum variation. Before we proceed for factor analysis

first the researcher tested the eligibility of the data by checking KMO- Bartlett's test which is a measure of sampling adequacy. The KMO value is 0.734 >0.5

Bartlett's Test of Sphericity indicates a measure of the multivariate normality of set of variables (Sig. value is less than 0.05 indicates multivariate normal and acceptable for factor analysis).

Rotated Component Matrix[a]

	Component		
	1	2	3
I will recognize the need of the product or brand before buying.	**0.784**	-0.095	0.211
I will search information from various sources before buying.	-0.175	0.549	0.387
I will compare or evaluate the number of alternatives before buying.	0.073	**0.729**	-0.003
I will select the best product or brand among the alternatives.	0.521	0.510	0.134
I will purchase the product repetitively if I am satisfied with the product	0.431	0.535	0.125
I will change my buying preferences when new offers or promotions are announced by companies	0.622	0.229	-0.420
I will prefer to buy the products which has good brand image in the market	0.726	0.048	-0.038
I prefer to take opinions from my friends before purchase	0.041	0.701	-0.351
I always check the lifetime of the products before I buy	0.465	0.446	0.284
I take the decision myself about the products while purchasing without any references.	0.142	0.032	**0.764**

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 4 iterations.

The above rotated component reveals that form the total 10 tested filtered elements only 3 factors revealed as most influencing factors for consumer buying behavior in shopping malls. Those are

S.no	Factor (Loading Value)
1	I will recognize the need of the product or brand before buying. (.784)
2	I will compare or evaluate the number of alternatives before buying. (.729)
3	I take the decision myself about the products while purchasing without any references. (.764)

As per above factor table, it is reiterate that , consumer are most brand specific in shopping malls while purchase followed by they are also comparing best brands pros n cons with particular product and final one is self-decision is more preferred rather than dependent on other while purchase.

H$_{01}$: There is no significant relation between mode of transport to shopping and available parking facility.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.642[a]	8	**.013**
Likelihood Ratio	9.559	8	.297
Linear-by-Linear Association	1.023	1	.312
N of Valid Cases	112		

a. 5 cells (33.3%) have expected count less than 5.The minimum expected count is 2.95.

The above chi square table indicating that , the significant value less than 0.05 (.013) , reveals **Reject** the Hypothesis, i.e

there is a strong relationship between mode of transport and parking facilities in shopping malls.

H$_{02}$: There is no relation between occupation of the consumer and store ambiance impact on shopping mall.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.503[a]	8	**.962**
Likelihood Ratio	3.235	8	.919
Linear-by-Linear Association	.007	1	.935
N of Valid Cases	105		

a. 7 cells (46.7%) have expected count less than 5. The minimum expected count is .83.

The above chi square table indicating that, the significant value greater than 0.05 (.962), reveals **accept** the Hypothesis, i.e there is no relationship between Occupation of consumer and store ambiance. Hear other factors are influencing rather than store ambiance.

H$_{03}$: There is no association between gender and freshness of merchandise in shopping malls.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.143[a]	8	**.001**
Likelihood Ratio	9.249	8	.322
Linear-by-Linear Association	2.133	1	.144
N of Valid Cases	106		

a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is 1.92.

The above chi square table indicating that, the significant value less than 0.05 (.001), reveals **Reject** the Hypothesis, i.e there is a strong association between gender who purchase goods and checking of freshness in the mall.

H₀₄: There is no significant relation between occupation of consumer and impact of credit card facility in shopping.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.368[a]	8	.312
Likelihood Ratio	10.867	8	.209
Linear-by-Linear Association	.723	1	.395
N of Valid Cases	112		

a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is 1.55.

The above chi square table indicating that , the significant value greater than 0.05 (.312) , reveals **accept** the Hypothesis, i.e there is no significant relation between Occupation of consumer and credit card facility. Nowadays because of more banking services everybody is using credit cards.

DISCUSSION OF RESULTS

The survey concluded that India's organized and unorganized retail sectors can co-exist and flourish. The growth in the Indian organized retail market is mainly due to the change in the consumer's behavior. This change has come in the consume r du e to increased income, changing, lifestyles, and patterns of demography which are favorable. Now the consumer wants to shop at a place where he can get food, entertainment, and shopping all under one roof. This has given Indian organized retail market a major boost. While on the other hand the traditional stores are shops where the various product available are the range of product really required by the customers. They cautiously take care of the choice of the customers and bring the product which is demanded by them. They try to satisfy them with the wide range and at the same time maintain a good relationship to retain them and consequently convert them into their loyal customer. The shopkeepers keeps latest products to their stores and then learn how is it actually affecting the sales of products although there stores have comparatively less product range the selection made is quite relevant. Having looked at the features let us find the loopholes. However good is the ambience and wide is the product range, when it comes the selling price of the various goods, traditional shops are always more efficient than these newly evolved stores.The store managers have to consider the 'bargaining aspect' of shopping while planning their promotions. To attract the older generation, different categories of products can be made available in the malls and so that older people will have to spend less energy and time looking for products. Older generation has much time at their disposal, and spatial interiors of malls could provide space where older people can sit and relax while shopping. They are comfortable with retailers located near to their homes, and the malls must devise strategies to attract them. The products and promotions should be relevant for them. The restaurants and eating areas extend facilities for socializing or just watching others shop. It is important to mention that malls are considered attractive as they frequently offer discounts and rebates to the consumers. Most of the Indian consumers are influenced by the concept of 'discount' as it implies that they are getting more value for their money. The desire to explore the discounts and festive offers acts as an inducement for them to visit the malls.

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