

CONSUMERS BUYING BEHAVIOUR IN RETAIL OUTLETS AT CHENNAI.

Ramamoorthy R¹, Bharth Vajan R²

Assistant Professor^{1,2}, Department of Management Studies^{1,2}

BIST, BIHER, Bharath University, Chennai

ramamoorthy.mba@bharathuniv.ac.in

ABSTRACT

Consumer behavior is the study of individuals, groups, or an organization and the process they use to select, use, dispose and secure of products, ideas, services or experience to satisfy needs and the impact that these process have on the consumer and society. It blends elements from psychology, sociology, economics and marketing. It attempts to understand the buyer decision making process both individually and in groups. It studies characteristics of individual customers such demographic, psychographic and behavioral variables in an attempts to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups and society in general.

INTRODUCTION

Consumer Behavior

It is the study based on the consumer buying behavior, playing three distinct roles of user, payer and buyer[1-3]. Consumer behavior is difficult to predict, even for the experts in this field. It is a branch in which deals with various stages a consumer goes through before purchasing products or services for an end use[40-43].

The study of consumer behavior helps firms and organization improve their marketing strategies by understanding issues such as,

1. The psychology of how consumer thinks feels reason and select between different alternatives (brand, products & etc...)

2. How the consumer is influenced by his or her environment (culture, family, signs and media).
3. Consumer motivation and decision strategies differ between product that differ in their level of importance and interest that they entail for the consumer.
4. Marketers can adapt & improve their marketing strategies to react the consumer more effectively[4-7].

REVIEW OF LITERATURE

John F. Tanner, Jr., (1990) "Predicting Organizational Buyer Behaviour", Journal of Business & Industrial Marketing, Vol. 5 Iss: 2, pp.57 – 64 Consider the need for industrial marketer to understand buyer's behavioural choices, which are affected by various factors. Examine types of behaviour and their implications for marketing strategy, offering a company example. Conclude that the development of a successful marketing strategy requires the accurate prediction of buying behavior[8-11].

Aviv Shoham, Maja MakovecBrenčič, (2003) "Compulsive buying behavior", Journal of Consumer Marketing, Vol. 20 Iss: 2, pp.127 – 138 Consumer compulsive buyer is an important area of inquiry in consumer behavior research. The importance of studying compulsive buying stems, in part, from its nature as a negative aspect of consumer behavior. Specifically, exploring negative consumption phenomena could provide modified or new perspectives for the study of positive consumption behavior[33-39]. Moreover, research on negative facets of consumption is useful because it can potentially contribute to society's wellbeing, an important criterion for usefulness of any research. This paper builds on earlier papers to propose a model of compulsivity antecedents[12-15]. Gender, consumers' tendency to make unplanned purchases, and their tendency to buy products not on shopping lists, serve to predict compulsive tendencies in a sample of Israeli consumers. The findings suggest that these antecedents affect compulsive tendencies.

RESEARCH METHODOLOGY

Research Design:

Research design is connection between what has been established and what is to be done in the conduct of the survey for realization of the objective. The research design used in this study was descriptive research design[44-45].

Sample size: An important decision that has to be taken is adopting the sample technique is about the size of the sample. Size of the sampling means the number of sampling. The sample size selected for this study is 110.

Data collection

Primary data

Primary data was collected through structured undisguised questionnaire.

Secondary Data

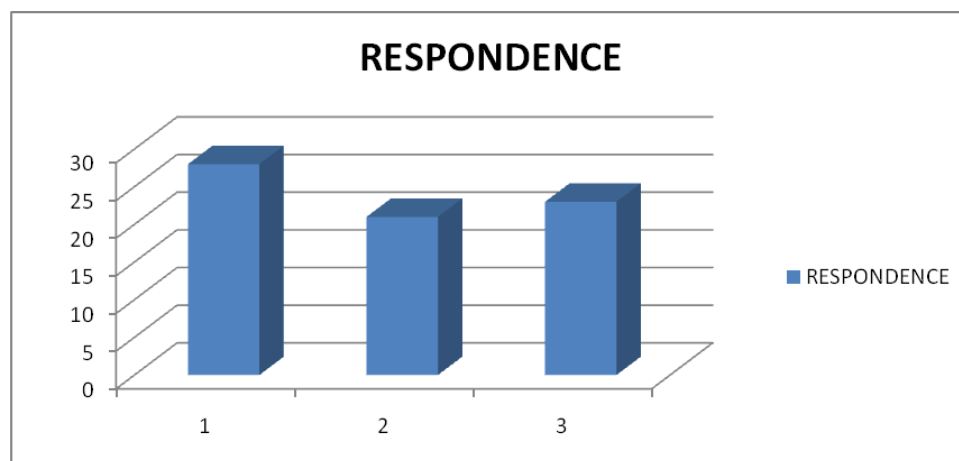
Secondary data was gathered from journals.

DATA ANALYSIS INTERPRETATION**WILL RETAIL OUTLETS OFFER ANY SPECIAL DISCOUNT ON PRICES**

S.NO	PARTICULARS	RESPONDENCE	PERCENTAGE
1	Yes	75	68.18
2	No	26	23.63
3	No opinion	9	8.18
	Total	110	100%

INFERENCE:

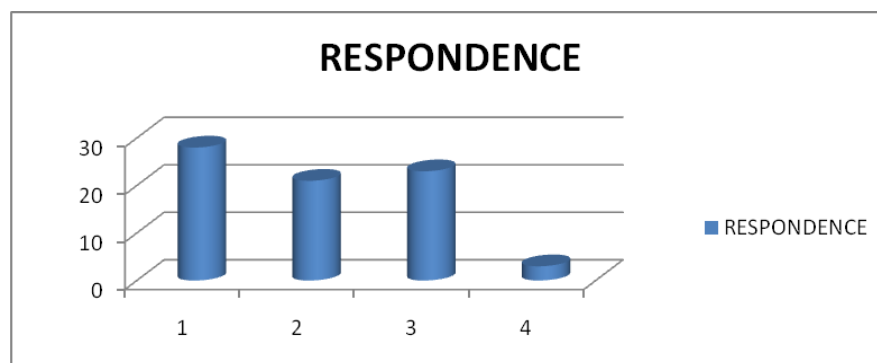
68.18% of respondents say the retail outlets offer special discount on prices in retail outlets, 23.63% of respondents says there are not offering special discount on prices in retail outlets, 8.18% of respondents says no opinion on offer special discount on prices in retail outlets[16-21].

WILL RETAIL OUTLETS OFFER ANY SPECIAL DISCOUNT ON PRICES**WILL RETAIL OUTLETS OFFER ANY SPECIAL DISCOUNT ON PRICES**

S.NO	PARTICULARS	RESPONDENCE	PERCENTAGE
1	Buy one get one	28	37.3
2	percentage off	21	28
3	Buy two for discount price	23	30.6
4	Other discounts	3	4
	Total	75	100%

INFERENCE:

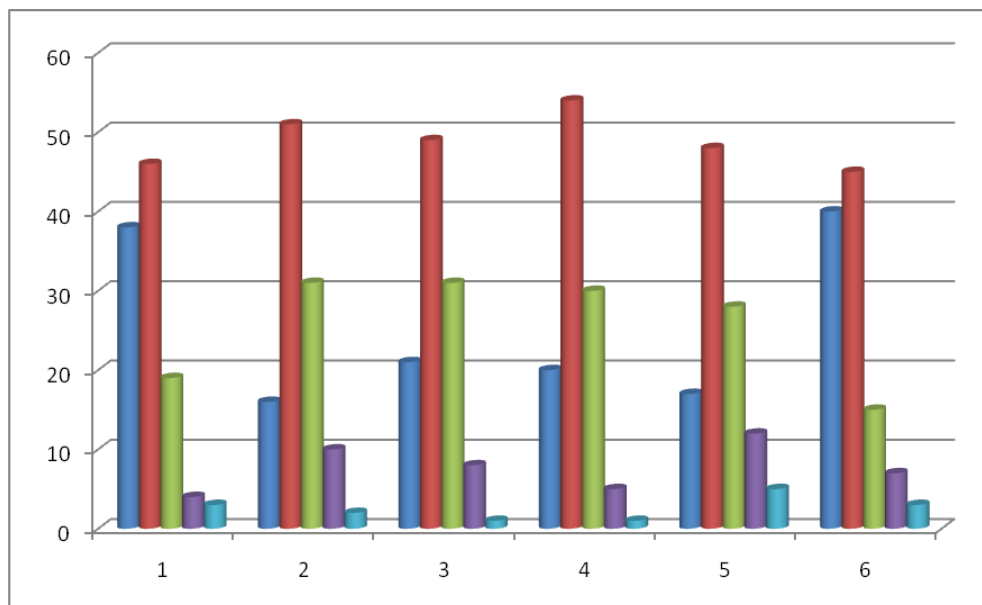
37.3% of respondent say retail outlets offer any special discount on buy one get one free, 30.6% of respondent say retail outlets offer any special discount on buy two for discount price, 28% of respondent say retail outlets offer any special discount on percentage off, 4% of respondents say retail outlets offer any special discount on other discounts[22-26].

WILL RETAIL OUTLETS OFFER ANY SPECIAL DISCOUNT ON PRICES**HOW SATISFIED ARE YOU WITH THE FOLLOWING**

S.NO	PARTICULARS	H.S	S	N	H.D	D	H.S	S	N	H.D	D
		RESPONDENCE					PERCENTAGE				
1	Billing	38	46	19	4	3	34.54	41.81	17.27	3.63	2.72
2	Parking Facility	16	51	31	10	2	14.54	46.36	28.18	9.09	1.81
3	Product Price	21	49	31	8	1	19.09	44.54	28.18	7.27	0.90

	Range										
4	Product Quantity and Quality	20	54	30	5	1	18.18	49.09	27.27	4.54	0.90
5	Delivery Facility	17	48	28	12	5	17.27	43.63	25.45	10.90	4.54
6	Mode of Payment	40	45	15	7	3	36.36	40.90	13.63	6.36	2.72

HOW SATISFIED ARE YOU WITH THE FOLLOWING



Chi-square

Planned list before buying from a retail outlet

41	35
27	7

Solution:

(1) Null hypothesis :

They do not have a planned list before buying from retail outlets

(2) Alternative hypothesis:

They have a planned list before buying from retail outlets

41	35	76
27	7	34
68	42	110

O	$E = \frac{R.t \times C.t}{G.t}$	$[O - E]$	$[O - e]^2$	$\frac{(O - E)^2}{E}$
41	$\frac{76 \times 68}{110} = 46.98$	-5.98	35.7604	0.761
35	$\frac{76 \times 42}{110} = 29.01$	5.99	35.8801	1.236
27	$\frac{34 \times 68}{110} = 21.01$	5.99	35.8801	1.707
7	$\frac{34 \times 42}{110} = 12.98$	-5.98	35.7604	2.755
				6.459

$$\chi^2 = \sum \left[\frac{(O - E)^2}{E} \right] = 6.459$$

Calculated value = 6.459

Degree of freedom:

$$V = [r-1] [c-1]$$

$$V = [2-1] [2-1]$$

$$V = 1 \times 1 \quad V = 1$$

Table value = 3.84 (constant)

Calculated value > table value

It is not significant

So alternative hypothesis is accepted

The critical value of $\chi^2 = 5.99$ at $\alpha = 0.05$ and $df = 2$. Since the calculated value of $\chi^2 = 6.459$ are more than critical value so the null hypothesis is rejected.

Conclusion: They have a planned list before buying from retail outlets

The representative interaction at retail market

20	45	65
30	15	45
50	60	110

Solution:

(1) Null hypothesis:

The representative reaction in retail market is not good.

(2) Alternative hypothesis:

The representative reaction in retail market is good.

O	$E = \frac{R.t \times C.t}{G.t}$	$[O - E]$	$[O - e]^2$	$\frac{(O - E)^2}{E}$
20	$\frac{65 \times 50}{110} = 29.5$	-9.5	90.25	3.059
45	$\frac{65 \times 60}{110} = 35.45$	9.55	91.20	2.572
30	$\frac{45 \times 50}{110} = 20.45$	9.55	91.20	4.459
15	$\frac{45 \times 60}{110} = 20.45$	-9.5	90.25	3.683
				13.773

$$\chi^2 = \sum \left[\frac{(O - E)^2}{E} \right] = 13.733$$

Calculated value = 13.733

Degree of freedom:

$$V = [r-1] [c-1]$$

$$V = [2-1] [2-1]$$

$$V = 1 \times 1 \quad V = 1$$

Table value = 3.84 (constant)

Calculated value > table value

It is not significant

So alternative hypothesis is accepted

The critical value of $\chi^2 = 5.99$ at $\alpha = 0.05$ and $df = 2$. Since the calculated value of $\chi^2 = 13.733$ is more than critical value so the null hypothesis is rejected.

Conclusion: The representative reaction in retail market is good.

Retail outlets offer any special discount on prices

28	21	49
23	3	26
51	24	75

Solution:

(1) Null hypothesis:

The retail outlets does not offer any special discounts on prices

(2) Alternative hypothesis:

The retail outlets offer special discounts on prices.

O	$E = \frac{R.t \times C.t}{G.t}$	$[O - E]$	$[O - e]^2$	$\frac{(O - E)^2}{E}$
28	$\frac{49 \times 51}{75} = 33.32$	-5.32	27.64	0.8295
21	$\frac{49 \times 24}{75} = 15.68$	5.32	27.64	1.7627
23	$\frac{26 \times 51}{75} = 17.68$	5.32	27.64	1.5633
3	$\frac{26 \times 24}{75} = 8.32$	-5.32	27.64	3.3221
				7.4776

Table value = 3.84 (constant)

Calculated value > table value

It is not significant

So alternative hypothesis is accepted

The critical value of $\chi^2 = 5.99$ at $\alpha = 0.05$ and $df = 2$. Since the calculated value of $\chi^2 = 7.4776$ is more than critical value so the null hypothesis is rejected.

Conclusion: The retail outlets offer special discounts on prices

The space in the retail outlets for moving around the product

36	20	56
39	15	54
75	35	110

Solution:

(1) Null hypothesis:

There is no space in the retail outlets for moving around the product

(2) Alternative hypothesis:

There is more space in the retail outlets for moving around the product

O	$E = \frac{R.t \times C.t}{G.t}$	$[O - E]$	$[O - e]^2$	$\frac{(O - E)^2}{E}$
36	$\frac{56 \times 75}{110} = 38.18$	-2.18	4.75	0.124
20	$\frac{56 \times 35}{110} = 17.81$	2.19	4.79	0.268
39	$\frac{54 \times 75}{110} = 36.81$	2.19	4.79	0.130
15	$\frac{54 \times 35}{110} = 17.18$	-2.18	4.75	0.276
				0.798

Table value = 3.84 (constant)

Calculated value < table value

It is significant

So null hypothesis is accepted

The critical value of $\chi^2 = 5.99$ at $\alpha = 0.05$ and $df = 2$. Since the calculated value of $\chi^2 = 0.798$ is less than critical value so the alternative hypothesis is rejected[27-32].

Conclusion: there is no space in the retail outlets for moving around the product.

Satisfaction of the customer service departments in the retail outlets

10	32	42
51	17	68
61	49	110

Solution:

(1) Null hypothesis:

They are not satisfied with the customer service department in the outlets.

(2) Alternative hypothesis:

They are satisfied with the customer service department in the outlets.

O	$E = \frac{R.t \times C.t}{G.t}$	$[O - E]$	$[O - e]^2$	$\frac{(O - E)^2}{E}$
10	$\frac{42 \times 61}{110} = 23.29$	-13.29	176.62	7.58
32	$\frac{42 \times 49}{110} = 18.70$	13.3	176.89	9.45
51	$\frac{68 \times 61}{110} = 37.70$	13.3	176.89	4.69
17	$\frac{68 \times 49}{110} = 30.29$	-13.29	176.62	5.83
				27.55

$$\chi^2 = \sum \left[\frac{(O - E)^2}{E} \right] = 27.55$$

Calculated value = 27.55

Table value = 3.84 (constant)

Calculated value > table value

It is not significant

So alternative hypothesis is accepted

The critical value of $\chi^2 = 5.99$ at $\alpha = 0.05$ and $df = 2$. Since the calculated value of

$\chi^2 = 27.55$ are more than critical value so the null hypothesis is rejected.

CONCLUSION

People preferred to shop in retail outlets for time saving. Majority of respondents said the primary purpose to visit the retail outlets was to purchase of general products. Most of the respondents said that they visited retail outlets for weekend outing. Majority of respondents said they visited the retail outlets thrice in a month. Majority of respondents said that definitely they had a planned list before buying from retail outlets. 10%-30% of their monthly budget they are shopping from these retail outlets. Majority of respondents said that shopping in retail outlets the monthly expenditure remains the same. Majority of respondents said that there is only small space in the retail outlets for moving around the shop. Majority of respondents said that the representative interaction in retail market is good. Majority of respondents said that discount and free gifts are intimated for them in retail outlets. Majority of respondents said that they are neutrally satisfied with the customer service department in the retail outlets. They say that retail outlets offer special discount on prices on buy one get one free offer. Majority of respondents said that they are satisfied with the billing, parking facility, product price range, product quality and quantity, delivery facility and mode of payment.

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