

A Study of Consumers Attitude towards Organized Retail Stores

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Abstract

Consumer satisfaction is widely recognized as a key pressure in the formation of consumers' future purchase intentions. Satisfied consumers are also likely to tell others of their favorable experiences and thus engage in positive word of mouth advertising. The present study aims to investigate Consumer satisfaction in the Organized Retail Stores and thus to identify the attitude and behaviour of the Consumers purchasing in Organized Retail Stores. Consumer Satisfaction is a significant subject for most marketers. Consumers purchase behaviour varies with price and availability of products and accordingly the consumers spending pattern shrinks.

KEYWORDS-Attitude, Behaviour, Consumer Satisfaction, Retail Stores, Purchasing.

INTRODUCTION

Retailing is one of the oldest businesses that human civilization has known. It acts as an interface between the producer and consumer, improves the flow of goods and services and raises the efficiency of distribution in an economy. For a strong, stable and consistently growing economy, a well-organized and efficient retail sector is a must. Most of the developed and even emerging economies had adopted the organized retail long ago and percentage share of organized retail in total retailing has increased over the years. Consumer behaviour is the study of how people buy, what they buy, when they buy and why they buy. Belch and Belch define consumer behaviour 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. Mumbai is the city of successful malls and some retail rentals are amongst the most expensive. The consumer's size is growing day by day so the pace of retail markets also need to increase. There are an estimated 12 million retail outlets of which some 78 percent of the run for businesses. The organized retail sector currently accounts for less than 6% of the total retail business.

INTRODUCTION TO CONSUMERS

The consumer is the one who pays something to consume goods and services produced. As such, consumers play a vital role in the economic system of a nation. Without consumer demand, producers would lack one of the key motivations to produce, to sell to consumers. The consumer also forms part of the chain of distribution. Any individual who purchases products or services for his personal use and not for manufacturing or resale is called a consumer. A consumer is one who is the decision maker whether or not to buy an item at the store, or someone who is influenced by advertisement and

marketing. Consumer makes decisions by allocating their scarce income across all possible goods in order to obtain the greatest satisfaction. Formally, it can be said that consumers maximize their utility subject to budget constraint. Utility is defined as the satisfaction that a consumer derives from the consumption of a good. Consumer value is measured in terms of the relative utilities between goods. These reflect the consumer's preferences. Satisfying Consumers is the ultimate objective of every marketer in all categories of goods and service. After selling a product, the marketers may not have direct contact with the Consumers. Consumers' behaviour is a composition of four aspects which includes consumer preference, information search purchase decision and post purchase behaviour or satisfaction.

INTRODUCTION TO RETAILER

The term retailer is applied where a service provider fills small orders of a large number of individuals, who are end users, rather than large orders of a small number of wholesalers. By definition, a retailer, or merchant, is an entity that sells goods such as clothing or groceries or cars directly to consumers, through various distribution channels with the goal of earning a profit. That was a very clinical definition of a retailer. A retailer is a store that provides you with goods or services Consumers need. Modern retailers typically make a variety of strategic level decisions including the type of stores, the market to be served, the optimal product assortment pricing, branding, labeling, etc. The store can be a physical building or online. In general, retailers don't manufacture the goods they sell. Entity that makes a good through a process involving raw materials, components, or assemblies, usually on a large scale with different operations divided among different workers. Commonly used interchangeably with producer. There are some exceptions to that rule, of course, but usually the retailer is just the final link in a supply chain that gets a product to a Consumer. The difference between retailers and wholesalers is that while retailers sell directly to consumers, wholesalers sell their goods to other businesses i.e. retailers. A retailer or retail stores is a kind of a business enterprise whose sale volume comes entirely from retailing. It is a set of business activities that adds value to the product and services sold to the consumers for their personal and family use.

IMPORTANCE OF RETAILER

Retailer act as a last link in the channel of distribution. In the absence of retailers, the consumers are unable to find necessary goods at required place. They need to walk miles for hunting the required goods but now the scenario has completely changed. It is the retailer who tries to provide services not only to producers and wholesalers but also to the consumers. Without retailer the channel of distribution is incomplete. Retailers are also known as middlemen in the channel of distribution. Retailers play an important role for giving goods and services to ultimate consumers.

CONSUMER ATTITUDE TOWARDS ORGANISED RETAIL STORES

Consumer shopping behaviour includes intention, shopping habits and attitudes towards modern retail stores and traditional stores. Consumer's Attitude towards the service

differs from person to person. Organized Retail stores are of different kinds like Departmental stores, Supermarkets, Hypermarkets, Malls, Grocery stores, Mom and pop stores which is also known as kirana stores, etc. Due to globalization, the purchasing pattern of consumer has change. There is inclination of consumers towards different kinds of retail stores like Supermarkets, Departmental Stores and Hypermarkets, due to exciting offers offered by the retailers.

LIMITATIONS

The survey is conducted among all class of Consumers who are the regular purchasers and occasional buyers in the organized retail outlets. The time, efforts and manpower used for conducting this research was available limited and sample size was of 102 respondents responded. Primary data has been collected by conducting online survey and physical survey. The people targeted were the age of 20-40 years of age and received 82 responses through online survey and 20 responses through physical survey.

NEED OF THE STUDY

The scope of this study is wide and valuable. The study deals with understanding the Consumer Attitude towards Organized Retail Stores, which is very essential for retailing in order to grow and expand.

REVIEW OF LITERATURE

Sinha (2004) stated that in India, stores seem to be nearness to place where people accommodate. There are organized retailers who are making a rapid move in the grocery stores and causing a treat to the mom and pop stores. Consumer's preferences are to operate them with thin margins.

R.Gopal (2009), states that the skimming pricing is useful in the selected categories and has projected its usefulness in future also. This pricing strategy helps the retailer to boost their sales in the competitive world. Other researchers with reference to the above have highlighted that, the consumer expects the price should be reasonably charged. The retailer should provide maximum returns for their money. Price value is the most influential factor in shopping; it has a major impact on frequency of purchasing.

Sonali Banerjee and Sunetra Shah (2012), identified that, the factors which entrust impulse buying behaviour are quality, price, merchandising, company name, label, variety of product, packaging, placement etc. It is observed that excitement leads for impulse buying and women customers are frequent buyers. There are five sensory cues observed as important factors in impulse buying i.e. sight, sound, smell, taste, and touch. Out of these, sight is a highly influential factor, whereas touch seems to be the second important factor. This is followed by smell, sound, and taste. Retailers need to exploit the sensory abilities of an individual so as to increase the impulse shopping. Further, the other researcher, in addition to the other sensory cues, specifies that the customer experience goes with stores satisfaction i.e. if they are contented. They go for repeat purchases, spend more time and money, also share their overwhelming experience with near and their dear ones. This makes the customers more loyal towards the store.

RESEARCH DESIGN

The main aim of this survey is to know the Consumer satisfaction towards organized retail outlets and find out the key factors for Consumer satisfaction. Therefore descriptive research is being adopted to find out the Consumer satisfaction and characteristics of consumers.

RESEARCH METHODOLOGY

This paper consists of both primary as well as secondary data.

PRIMARY DATA

Primary data has been collected by conducting physical survey as well as online survey.

SECONDARY DATA

Secondary data has been collected by referring to various newspapers articles, research journals, etc.

OBJECTIVES

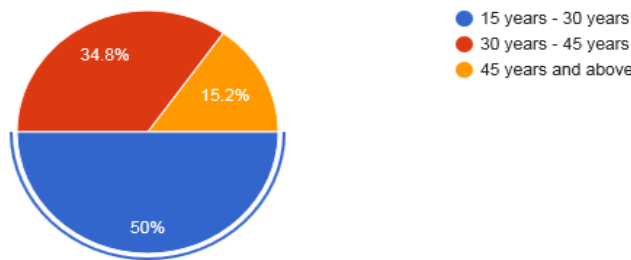
- To study consumer buying behaviour and satisfaction in different retail stores.
- To understand the consumer perception towards Organized Retail Stores while shopping.

DATA INTERPRETATION

Q1. General information about respondents

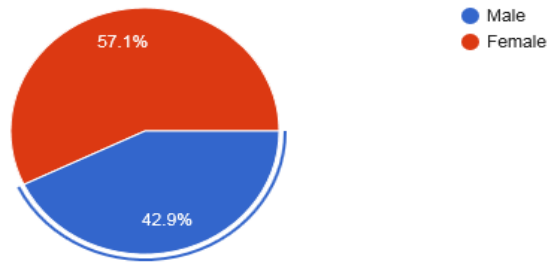
1) Age

15 Years – 30 Years	30 Years – 45 Years	45 Years and above
50%	34.8%	15.2%



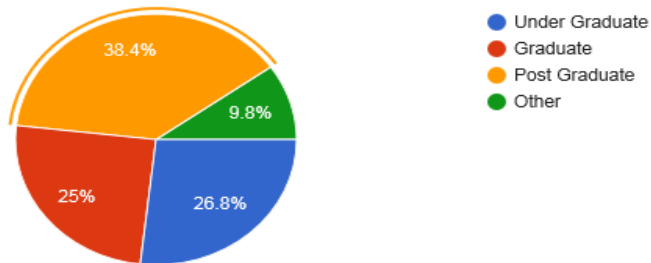
2) Gender

MALE	FEMALE
42.9%	57.1%



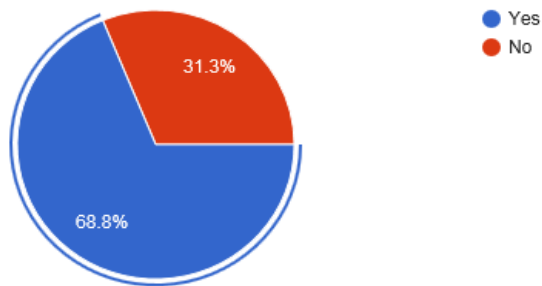
3) Education qualification

UNDER GRADUATE	GRADUATE	POST GRADUATE	OTHERS
26.8%	25%	38.4%	9.8%



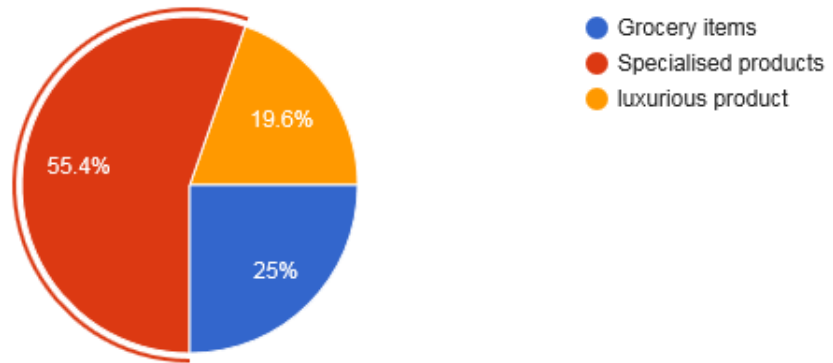
Q2. Are you an Unplanned Purchaser?

YES	NO
68.8%	31.3%



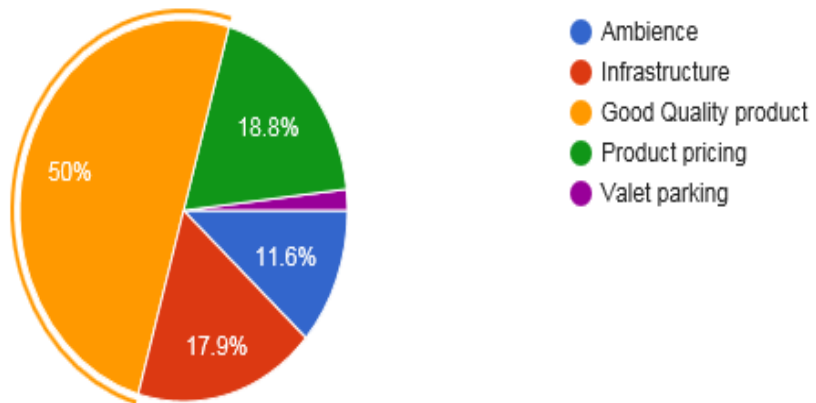
Q3. What kind of products do you often purchase from organized retail stores?

GROCERY ITEMS	SPECIALISED PRODUCTS	LUXURIOUS PRODUCT
25%	55.4%	19.6%



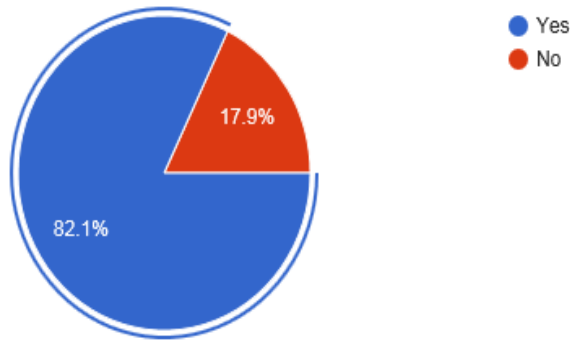
Q4. Which factors attracts you the most about organized retail stores?

AMBIENCE	INFRASTRUCTURE	GOOD QUALITY PRODUCT	PRODUCT PRICING	VALET PARKING
11.6%	17.9%	50%	18.8%	1.8%



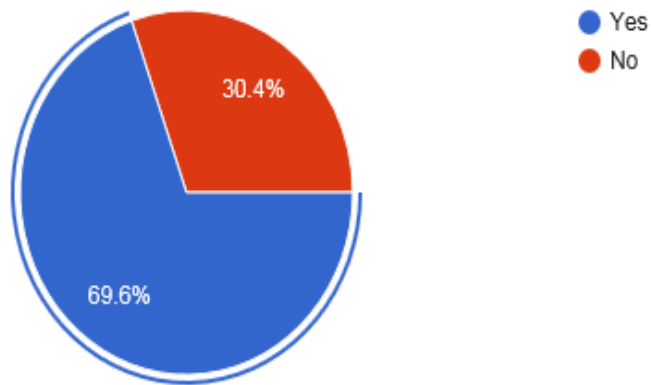
Q5. Does your perception of buying have changed from unorganized retail stores to organized retail stores?

YES	NO
82.1%	17.9%



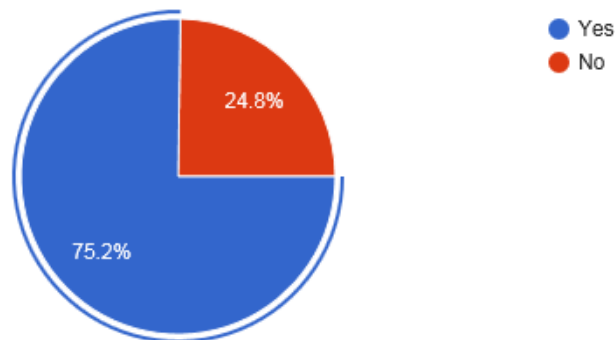
Q6. Do you prefer Window Shopping?

YES	NO
69.6%	30.4%



Q7. Are you satisfied with the Promotional offers offered by the retailers?

YES	NO
75.2%	24.8%



HYPOTHESIS

HYPOTHESIS 1

Ho: Most of the consumers get attracted towards the specialized product.

H1: Most of the consumers do not get attracted towards the specialized product.

HYPOTHESIS 2

Ho: Consumers have moved towards window shopping.

H1: Consumers still do physical shopping.

TESTING OF HYPOTHESIS

TESTING OF HYPOTHESIS 1

According to the survey conducted, Ho hypothesis is accepted as consumers often buy specialized product. Therefore, our hypothesis is accepted.

TESTING OF HYPOTHESIS 2

According to the survey conducted, Ho hypothesis is accepted as consumers do more of window shopping than physical shopping. Therefore, our hypothesis is accepted.

FINDINGS

- 50% respondents were from 15 years – 30 years of age group out of which 57.1% respondents were female.
- 68.8% respondents are unplanned purchaser.
- 55.4% respondents often buy specialized products
- 50% of the respondents get attracted towards the Good Quality Products.
- 82.1% respondent's perception has changed positively from unorganized retail stores to organized retail stores.
- 69.6% respondents prefer Window Shopping.
- 75.2% respondents are satisfied by the services offered by Organized Retail Stores.

CONCLUSIONS

Every consumer has its own tastes and preferences when they buy products. At times the consumer builds a positive attitude towards organized retail stores. Consumers tend to get attracted towards the promotional offers offered by the retailers. Researchers mainly focus on the consumer behaviour and purchase parameters and satisfaction which includes reason for visit the retail outlet, type of retail format for visit, and spending pattern as per different products. Attractive offers of the organized retail and availability of multiproduct under One Roof at attractive price always initiate and motivate the consumer to buy from the Organized Retail Stores.

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