

An Empirical Study of the Promotional Offers Offered by the Organized Retail Stores and its Impact on Changing Buying Behaviour

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Abstract

Retailing involves the process of selling consumer goods or services to customers through multiple channels of distribution to earn a profit. Retailers satisfy demand through an identified supply chain. Some of the earliest retailers were itinerant peddlers. Modern retailing is observed in the form of bustling shopping centers, multi-storied malls and the huge complexes that offer shopping, entertainment and food all under one roof. Hence with this modern trend of shopping it is not easy to ready the customer psychology. With the blink of eye the customer requirement changes from soap to toothbrush to oil etc. In order to attract the customer it is expected by the retailer to create and design the best promotional offer in order to increase the footfalls. However the researcher had tried to understand the promotional offers being given and their impact on the changing buying behaviour.

KEYWORDS:- Retail, , Consumer, Promotional offer, Entertainment.

INTRODUCTION:-

Indian economy has transformed from an extensive controlled economy to a liberal market driven economy. High-income opportunities, changing attitude towards saving, international exposure and necessities of lifestyle are the key drivers of fast evolving Indian retail industry. Indian Retail industry is witnessing a paradigm shift among the purchasing pattern of the consumer as the retail sector is getting organized. Consumers are seeking one-stop shopping place with convenience and entertainment. Mumbai has the tag of being the financial capital of the country and contributes to the country's GDP also. The organized retail sector in India has been witnessing winds of changes in the last couple of years. Shopping in India comes in all flavors, both traditional and modern, making it a very interesting experience. Bazaars, markets, street vendors coincide with more the modern shops. Mumbai is the city to successful malls and some retails rentals are amongst the most expensive. There are an estimated 12 million retail outlets of which some 78 per cent are family run businesses.

ZONAL CLASSIFICATION

WESTERN SUBURBS

The Western Suburbs is the western precinct of the city of Mumbai, India. The Western Suburbs consist of Andheri, Bandra, Borivali, Dahisar, Goregaon, Jogeshwari, Juhu, Kandivali, Khar, Malad, Santacruz and Vile Parle. It includes various malls like Infinity,

Inorbit, Oberoi, Growels 101, etc. and many retail stores like departmental stores, grocery shops, hypermarkets, mom and pop stores, etc.

CENTRAL SUBRUBS

The Central suburbs consist of Kurla, Vidyavihar, Ghatkopar, Vikhroli, Kanjur Marg, Bhandup, Mulund, and Powai has developed quite a bit in the past few decades. It consists of malls like K Star Mall, R City Mall, etc. Central Suburbs come second to the Western Suburbs in terms of area occupied in Mumbai, accounting for 27 per cent of the total stock in the city.

NAVI MUMBAI

The major micro-markets that fall under the Navi Mumbai zone are Airoli, Vashi and Kharghar. Of the 6 major malls, Inorbit Mall with an increase in commercial activity, there was a subsequent increase in residential demand. Hence, more malls are noticed in Vashi than any other micro-market in Navi Mumbai. Navi Mumbai has relatively new malls. It is also developing day by day.

NEED OF THE STUDY

Organized retailing accredits for approximately 7% to 8% of the retailing industry in India. Consumer are major beneficiary of the retail resonance. In today's digitalized world consumer are more conscious about what they purchase how they purchase and value the money they pay. Hence the researcher is trying to understand the promotional offers being offered by the retailer and does it really have a impact on the consumer buying behaviour.

RESEARCH MODEL

The present study is focused on the shopping behavior dimensions of consumers who visit organized retail stores. A total of 158 respondents responded. While conducting the survey due care was taken to include respondents from different walks of life, i.e. retailers, consumers, etc. The data is collected from various respondents which include 133 respondents through online survey and 25 respondents through physical survey.

DATA COLLECTION METHOD:

For research work primary as well as secondary data were used for collection of information. Research was broadly classified into two sections.

PRIMARY DATA

The primary data were collected by direct interaction with individuals on a one to one basis through physical survey where 25 respondents responded as well as through online survey where 133 respondents responded.

SECONDARY DATA

Secondary data has been collected through a wide range of written materials like research paper articles, journals, websites, newspapers, etc.

REVIEW OF LITERATURE

Rama Venkatachalam and Arwah Madan (2012) in their have highlighted the change in consumer preference while shopping for grocery in both organized and unorganized retail markets. The author has also mentioned that organized retailing is doing the right things to sustain, survive and grow.

Sanjay Manocha and Anoop Pandey (2012) has discussed that Organized retailing is beneficial for India because it's not creating conflict with unorganized stores but reshaping unorganized stores into nascent organized stores. The author has also discussed the growth of modern retailing in India which is not at a very fast pace.

Nisha Rathore (2012) in her paper has highlighted the journey of growth from Kirana stores to supermarkets. She has also mentioned that how the shift has taken place from kirana to supermarkets emergence.

TYPES OF RETAIL STORES

Retailing refers to a process where retailer sells the goods directly to the end user for his one consumption in small quantities.

DEPARTMENTAL STORES: A department store is a set-up which offers wide range of products to the end-users under one roof. A department store is a retail establishment offering a wide range of consumer goods in different product categories known as "departments". Electronic Appliances, Apparels, Jewellery, Footwear, Sportswear, Toys, Books, CDs, DVDs.

SPECIALITY STORE: A small retail outlet that focuses on selling a particular product range and associated items. As the name suggests, Speciality store would specialize in a particular product and would not sell anything else apart from the specific range. Example: Reebok merchandise.

SUPER MARKET: A large store that sells a variety of food and household items to customers. A supermarket is a self-service shop offering a wide variety of food and household products, organized into aisles. Merchandise: Bakery products, Cereals, Meat Products, Fish products, Breads, Medicines, Vegetables, Frozen Food.

MALLS: A large retail complex containing a variety of stores and often restaurants and other business establishments housed in a series of connected or buildings or in a single large building.

DISCOUNT STORES: Discount stores also offer a huge range of products to the end-users but at a discounted rate. The discount stores generally offer a limited range and the quality in certain cases might be a little inferior as compared to the department stores.

HYPER MARKET: Hypermarket is a superstore combining a supermarket and a department store. The result is an expansive retail facility carrying a wide range of products under one roof, including full groceries lines and general merchandise

Hypermarkets, like other big-box stores, typically have business models focusing on high-volume, low-margin sales.

MOM AND POP STORES: A small, independent, usually family-owned, controlled, and operated business that has a minimum amount of employees, has only a small amount of business volume, and is typically not franchised, therefore open for business only in a single location
Merchandise: Eggs, Bread, Stationery, Toys, Cereals, Pulses, Medicines.

PROMOTION

Promotions refer to the entire set of activities, which communicate the product, brand or service to the user. The idea is to make people aware, attract and induce to buy the product, in preference over others. Promotion is a form of corporate communication that uses various methods to reach a targeted audience with a certain message in order to achieve specific organizational objectives. All organizations, whether profit oriented or not profit oriented, in all types of industries, must engage in some form of promotion.

PROMOTIONAL OFFERS

Promotional offers are a great way to attract customer's attention. The following are the promotional offers which retailers provide to the ultimate customers

BUY ONE GET ONE FREE: One of the biggest marketing ideas in recent years has been the concept of Buy One Get One. It is a form of sales promotion. It is known as BOGO. BOGO stands for buy one get one free. The term BOGO is used by grocery and retail stores to describe a buy-one-get-one-free.

DISCOUNTS: Discount means deduction from the face amount of an invoice, made in advance of its payment. A discount store is a retail store which sells products at lower prices than the typical market price. Discount stores are not variety stores, which sell goods at a single price or multiples.

GIFT VOUCHERS: Gift vouchers are popular among consumers because they buy more product and retailers offer them gift vouchers. A customer uses gift voucher to purchase another product which will be free of cost but there is a limitation when retailers provide gift vouchers.

TRENDY PRODUCTS: Every entrepreneur has as their ultimate goal a desire to sell their products or services. When retailer brings trendy products in the market it is assumed that it definitely attracts the customer and make them to buy the product.

COUPONS: Coupons are a great way to attract new and existing customers. Coupons have proven themselves to be highly effective sales tools for every conceivable size and type of business. Coupon codes can be a pretty handy tool to attract new and repeat customers.

IMPACT OF PROMOTION ON CONSUMER BEHAVIOUR

Promotion is a utensil that is used by the retailers to attract the customers and purchase more of a goods and services offered by the retailers. The result of the promotion is the

usage of the high quantity stock or product appealing many new customers and more increase in sales... A consumer's buying behavior is influenced by cultural, social, personal, psychological factors. If prices get depleted in short run to attract more customers it refers to price promotion. Many consumers get attracted to the elements of the promotion mix like advertising, publicity, sales promotion, salesmanship, public relations, packaging, etc. The development of the retail stores in Mumbai has specially created a change in the pattern of lifestyle of the modern era. Nowadays a lot of consumers are switching to e-commerce activities as it has now become convenient to shop everything under one roof.

OBJECTIVES

- To evaluate the promotional offers given by the Organized Retail Stores
- To analyze the impact on the Consumer Buying Behaviour.

DATA INTERPRETATION

Q1. General Profile of the Respondents

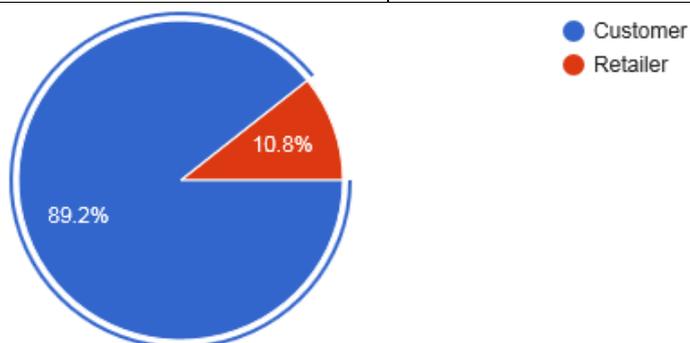
AGE	NO. OF RESPONDENTS	PERCENTAGE
Age from 15-25	66	41.6%
Age from 26-35	15	9.3%
Age from 36-45	24	15.7%
Age above 45 years	53	33.4%

GENDER	NO OF RESPONDENTS	PERCENTAGE
Male	70	44.3%
Female	88	55.7%

EDUCATIONAL QUALIFICATION	NO. OF RESPONDENTS	PERCENTAGE
Under Graduate	108	68.5%
Post Graduate	23	14.5%
Others	27	17%

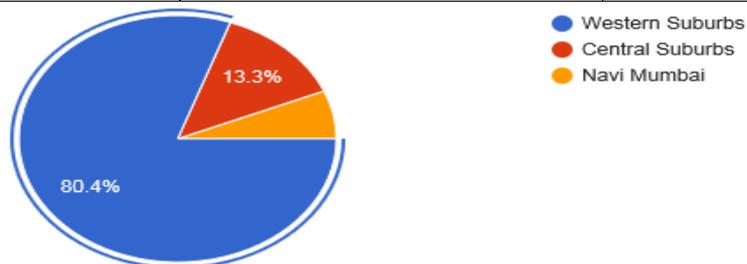
Q2. Are you a customer or retailer?

CUSTOMER	RETAILER
89.2%	10.8%



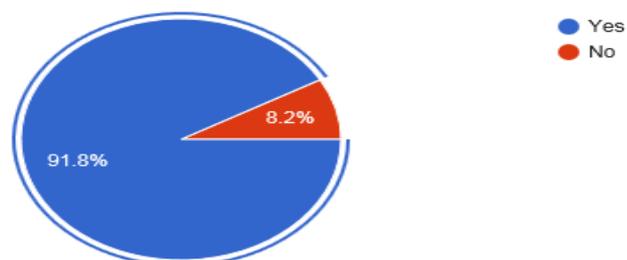
Q3. According to you which zone has highest retail stores?

Western suburbs	Central suburbs	Navi Mumbai
80.4%	13.3%	6.3%



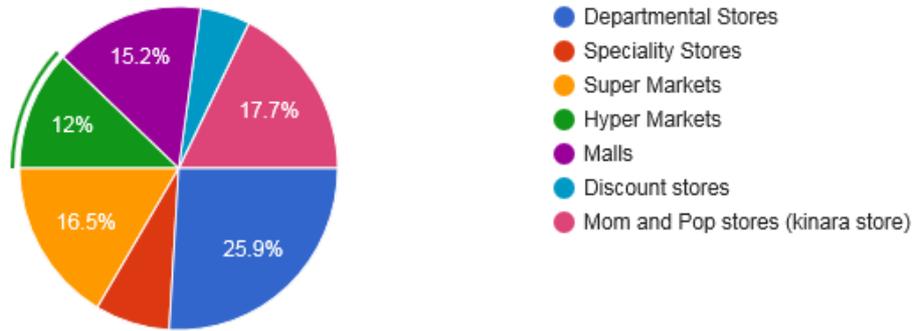
Q4. Do you think that retailers play an important role in the channel of distribution?

Yes	No
91.8%	8.2%



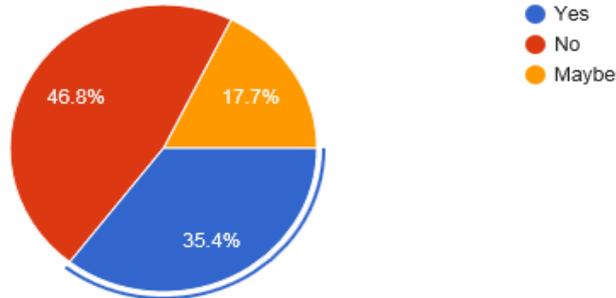
Q5. Which kind of retail stores do you often visit?

DEPARTMENTAL STORES	SPECIALITY STORES	SUPER MARKETS	HYPER MARKETS	DISCOUNT STORES	MALLS	MOM AND POP STORES
25.9%	7.6%	16.5%	12%	5.1%	15.2%	17.7%



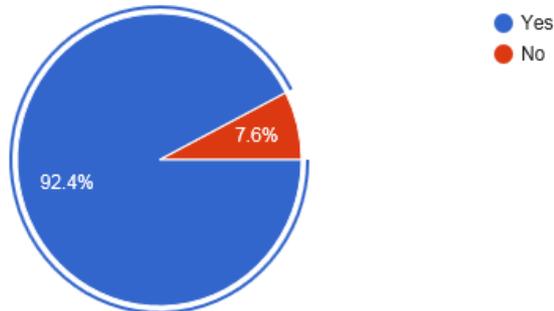
Q6. Do you think that malls offer better quality than other retail stores?

Yes	No	Maybe
35.4%	46.8%	17.7%



Q7. Do you feel that promotion plays an important role to attract customers?

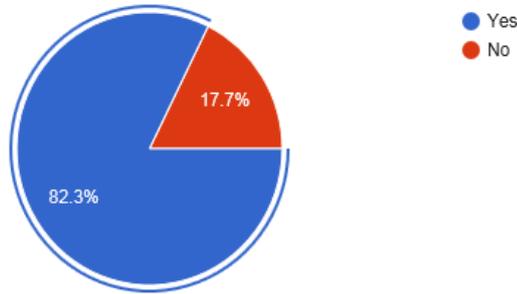
Yes	No
92.4%	7.6%



Q8. Do you get attracted towards the promotions?

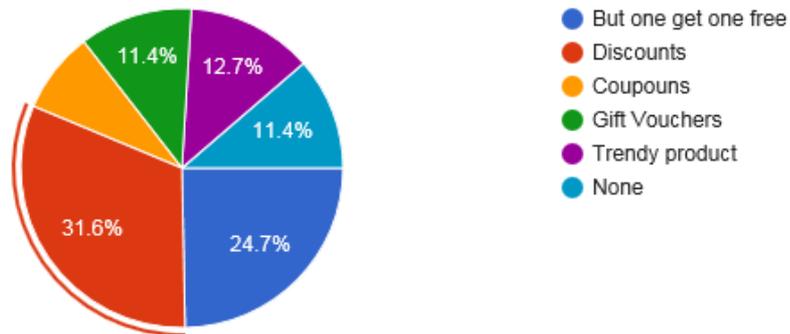
YES	NO

82.3%	17.7%
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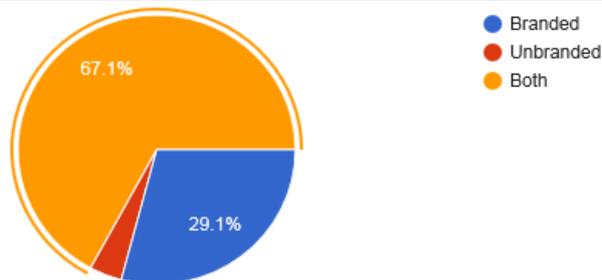
Q9. What kind of promotional offers attract you?

BUY ONE GET ONE FREE	DISCOUNTS	GIFT COUCHERS	TRENDY PRODUCTS	COUPOUNS	NONE
24.7%	31.6%	11.4%	12.7%	8.2%	11.4%



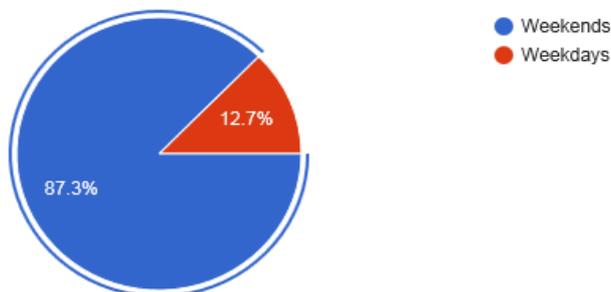
Q10. What kind of product do you prefer?

BRANDED	UNBRANDED	BOTH
29.1%	3.8%	67.1%



Q11. According to you on which days there are more customer footfalls?

WEEKENDS	WEEK DAYS
87.3%	12.7%



FINDINGS

- 55.7% respondents were female which responded.
- 89.2% respondents were customers.
- 80.4% respondents feel that there more retail stores in Western Suburbs.
- 91.8% respondents feel that retailer plays an important role in the channel of distribution.
- 25.9% respondent's visits departmental stores.
- 46.8% respondents feel that along with the mall other retail store also maintain the quality goods.
- 92.4% respondent's feels that promotion plays an important role to attract customers.
- 82.3% respondents get attracted towards promotion.
- 31.6% respondents get attracted towards discounts.
- 67.1% respondents prefer both branded and unbranded products.
- 87.3% respondents feel that there are more customer footfalls during weekends.

HYPOTHESIS 1

Ho: There is no significant relationship between the promotional offer and consumer attraction towards the organized retail stores.

H1: There is significant relationship between the promotional offer and consumer attraction towards the organized retail stores.

HYPOTHESIS 2

Ho: Consumer tends to buy goods only at hyper markets than any other markets as hyper markets provide all kind of goods.

H1: Consumer tends to buy goods at other markets then hyper markets.

TESTING OF HYPOTHESIS 1

According to the survey conducted, Ho hypothesis is rejected, as consumer get attracted towards the promotional offers. Therefore, H1 hypothesis is accepted.

TESTING OF HYPOTHESIS 2

According to the survey conducted, Ho hypothesis is rejected as consumers tend to buy more goods at departmental stores and mom and pop stores than hyper markets. Therefore, Ho hypothesis is rejected.

CONCLUSIONS

The business of retail in India has seen significant changes in the last few years. The present research is an effort to find out the key factors that influence buying behaviour of customers to the Organized retail stores. Various promotional techniques are used by the retailers in order to attract the customers, whether an additional incentive to purchase their products and then promotion in classic means. The overall conclusion of this research is that the promotional offers do have a positive impact on the consumer buying behaviour.

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