Customers Perception and Shopping Motivation at Organized Retail Outlets

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Abstract: *Retail is India's largest industry. It accounts for over 10 per cent of the India's GDP and around 8 per cent of the employment. Retail sector is one of India's fastest growing sectors with a 5 per cent compounded annual growth rate. India's huge middle class base and its untapped retail industry are key attractions for global retail giants planning to enter newer markets. Driven by changing lifestyles, strong income growth and favorable demographic patterns, Indian retail is expected to grow 25 per cent annually. It is expected that retail in India could be worth US$ 175-200 billion by 2016. The study focuses on DEHRADUN city and KASHIPUR as it is the industrial capital of UTTARAKHAND, and it portrays cross-sections of the society. Two mega marts, namely, Vishal Mega Mart, and Easy day, were randomly selected for the study. Hundred visiting customers from each mega mart were personally interviewed with the help of a specially structured questionnaire. In this way, 300 customers were interviewed for the study.*

Keywords: M.B.O, Hedonic, Hyper market, Supermarket, Discount store

1. Introduction

The organized retail industry in India had not evolved till the early 1990s. Until then, the industry was dominated by the un-organized sector. It was a seller's market, with a limited number of brands, and little choice available to customers. Lack of trained manpower, tax laws and government regulations all discouraged the growth of organized retailing in India during that period. Lack of consumer awareness and restrictions over entry of foreign players into the sector also contributed to the delay in the growth of organized retailing.

A number of factors are driving India's retail market. These include: increase in the young working population, hefty pay-packets, nuclear families in urban areas, increasing working women population, increase in disposable income and customer aspiration, increase in expenditure for luxury items, and low share of organized retailing. India's retail boom is manifested in sprawling shopping centers, multiplex- malls and huge complexes that offer shopping, entertainment and food all under one roof. But there is a flip side to the boom in the retail sector. It is feared that the entry of global business giants into organized retail would make redundant the neighborhood Kirana stores resulting in dislocation in traditional economic structure. Also, the growth path for organized retail in India is not hurdle free. The taxation system still favors small retail business. With the intrinsic complexities of retailing such as rapid price changes, constant threat of product obsolescence and low margins there is always a threat that the venture may turn out to be a loss making one.

A perfect business model for retail is still in evolutionary stage. Procurement is very vital cog in the retail wheel. The retailer has to fight issues like fragmented sourcing, unpredictable availability, unsorted food provisions and daily fluctuating prices as against consumer expectations of round-the-year steady prices, sorted and cleaned food and fresh stock at all times.

Trained human resource for retail is another big challenge. The talent base is limited and with the entry of big giants there is a cat fight among them to retain this talent. This has resulted in big salary hikes at the level of upper and middle management and thereby eroding the profit margin of the business. All the companies have laid out ambitious expansion plans for themselves and they may be hampered due lack of requisite skilled manpower.

But retail offers tremendous for the growth of Indian economy. If all the above challenges are tackled prudently there is a great potential that retail may offer employment opportunities to millions living in small town and cities and in the process distributing the benefits of economic boom and resulting in equitable growth.

2. Review of Literature

Mowen & Minor (2000)- Consumer experience need ,then search for information, alternative are evaluated and choice is made.

Agarwal Bansal, Yadav, Kumar (2008) –After recruitment and selection the training and induction to newly selected equally important. The employees reflect the image and the culture of the store.

Carpenter, (2008)- According to him salesman play an important and crucial role to maintain long term relationship. According to his study there is a complex interrelationship between hedonic and utilitarian shopping value which influence satisfaction.

Michelle Lame (2009) the paper suggests that Tesco's US experiment is unusual both in terms of the innovatory aspects of its market entry and the reversal in that conventional direction of knowledge transfer.

A. Sarangapani, T. Mamatha (2009) analyses the post purchase evaluation and said that consumer should insist on information with regard to the product price, quality,

quantity, etc .customer should not prefer off-brands and inferior quality product.

Arvind & Nivedita (2010) investigate the influence of peers, family and brand relationship on switching intention among young consumers and shows that the influence of the social groups like family and peers on the switching behavior in preference of brand relationship dimension, the family has a relative stronger influence than peers.

Kelly (2012) the findings of the study indicate that smart shopping includes consumers seeking to minimize the expenditure of time, money, or energy to gain hedonic or utilitarian value from the experience. Study was examined based on shopping for clothing, grocery, or electronics.

3. Conceptual framework

Consumer Behaviour : The Generic decision making model is a well known model in consumer behaviour (Mowen & Minor ,2000).Figure 1 shows the stages of the generic decision model.
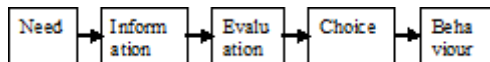

Figure 1: The Generic decision making model

Consumer first experience a need or desire .After that they seek information for alternatives to fullfill this need.These alternatives are evaluated and a choice is made. This choices result in behaviour.Human behaviour can be regarded as the product of both internal need states and external stimuli apperceived by the individuals.

4. Changing Consumer Profile and Demographics

In the past few years the whole concept of shopping has been altered in terms of format and consumer buying behavior. In the last few years, Indians have gone through a dramatic transformation in lifestyle by moving from traditional spending on food, groceries arid clothing to lifestyle categories that deliver better quality and taste. Also against the backdrop of an ageing world, India possesses the advantage of having a largely young population. 35 percent of India's population is under 14 years of age and more than 60 per cent of the population is estimated to constitute the working age group (15-60) till 2050. Two-thirds of Indian population is under 35, with the median age of 23 years, as opposed to the world median age of 33. The large proportion of the working-age population translates to a lucrative consumer base vis-à-vis other economies of the world, placing India on the radar as one of the most promising retail destinations of the world. Also there has been an increasing number of nuclear families, increase in working women population and emerging opportunities in the service sector during the past few years which has been the key growth driver of the organized retail sector in India. The emergence of a larger middle and upper middle classes and the substantial increase in their disposable income has changed the nature of shopping in India from need based to lifestyle dictated. Indians have grown richer and thus spending more on vehicles, phones and eating out in restaurants. With the country's income pyramid changing dramatically, there has been a definite shift from the saving tendency to the spending attitude.

5. Retail Formets

Hypermarket: It is the largest format in Indian retail so far is a one stop shop for the modern Indian shopper.

Merchandise: food grocery to clothing to spots goods to books to stationery.

Space occupied: 50000 Square feet and above.

SKUs: 20000-30000.

Example: PETER ENGLAND retail's Big Bazaar, RPG's Spencer's (Giant), Vishal mega mart.

Supermarket: A subdued version of a hypermarket.

Merchandise: Almost similar to that of a hypermarket but in relatively smaller proposition.

Space occupied: 5000 Sq. ft. or more.

SKUs: Around 10000.

Example: Nilgiris, Apna Bazaar, Trinethra/more.

Convenience store: A subdued version of a supermarket.

Merchandise: Groceries are predominantly sold.

Space occupied: Around 500 Sq. ft. to 3000 Sq. ft.

Example: stores located at the corners of the streets, Reliance Retail's fresh.

Department store: A retail establishment which specializes in selling a wide range of products without a single prominent merchandise line and is usually a part of a retail chain.

Merchandise: Apparel, household accessories, cosmetics, gifts etc.

Space occupied: Around 10000 Sq. ft. – 30000 Sq. ft.

Example: Landmark Group's Lifestyle, Trent India Ltd.'s Westside.

Discount store: Standard merchandise sold at lower prices with lower margins and higher volumes.

Merchandise: A variety of perishable/ non perishable goods. Example: Viswapriya Group's Subiksha, Piramal's TruMart.

Specialty store: It consists of a narrow product line with deep assortment.

Merchandise: Depends on the stores

Example: Bata store deals only with footwear, RPG's Music World, Crossword.

MBO's: Multi Brand outlets, also known as Category Killers. These usually do well in busy market places and Metros.

Merchandise: Offers several brads across a single product category.

Kirana stores: The smallest retail formats which are the highest in number (15 million approx.) in India.

Merchandise: Mostly food and groceries.

Space occupied: 50 sq ft and even smaller ones exist.

Malls: The largest form of organized retailing today located mainly in metro cities, in proximity to urban outskirts.

Merchandise: They lend an ideal shopping experience with an amalgamation of product, service and entertainment, all under a common roof.

6. Organized Retail Outlets in Dehradun And Kashipur

The retailing industry, which, until the early 1990s, was dominated by the unorganized sector, witnessed a rapid growth in the organized sector with the entry of corporate groups such as Tata, RPG, ITC and Bennett Coleman & Company into the retailing market. According to an estimate the organized retail sector has 95% presence whereas the organized accounts for merely 5 Indian cities are witnessing a paradigm shift from traditional forms of retailing into a modern organized sector. To meet the challenges of organized retailing such as large Cineplex's and malls, which are backed by the corporate house such as 'Ansals' and 'PVR, the unorganized sector is getting organized. 25 stores in Delhi, under the banner of Provision mart, are joining hands to combine monthly buying. Bombay Bazaar and E-food mart are formed which are aggregations of Kiranas.

6.1 Vishal Mega Mart

The glory of Vishal Group's success is the ascent it has come to accomplish in the field of manufacturing and retailing of readymade garments. The credit for this radiance goes to its dynamic of directors Mr. Ram Chandra Agarwal & Mrs. Uma Agarwal who have transformed their foresightedness into an unending saga of growth. Identifying the immense market in fashion garment for the masses the Group has actually established benchmarks that many others are inspired to follow. Not resting on its laurels, the Group is busy identifying new avenues of growth and its companies are busy implementing the expansion plans to cash in on emerging potentials in the changing business environment of modern India's enterprise.

The jewel in Vishal Group's crown is its flagship company Vishal Retail Ltd. a company engaged in Hyper market stores with an average area of 25,000 to 30,000 sq. ft. through an impressive chain of 172 fully integrated stores in

spread over the area of more than 24,00,000 sq. ft. in around 110 cities across India in 24 states. The turnover of the company for 09-10 was 1105 Crore. Maintaining the highest standards in quality and design, these stores have come to offer the finest fashion garments at down-to-earth price structure. A fact that is better visible in the constant flow of shoppers all through the year. Under the title of Vishal Mega Mart these stores have emerged as the regular haunts for the bargain-hunters and fashion enthusiasts alike.

The saga of Vishal Group dates back to 2001 when its directors foresaw the emerging potentials in the retail industry which is indeed the largest sector in the global economy. Imbibing its innovative concepts and techniques the Group identified the vast scope of growth in retailing for the common man. Its stores have gained an enviable prominence as being the ideal store for the common man where an extensive variety and quality is offered at a very, very reasonable price structure. The Group's expertise in the field of retail marketing over the years and its focus on regions, cities and exact customer preferences have earned the Group an undisputed leadership status to Vishal Group.

6.2 Bharti Retail

Bharti Retail is a wholly owned subsidiary of Bharti Enterprises. The Company operates easy day neighborhood stores and compact hypermarket stores called easy day Market. Bharti Retail provides consumers a wide range of good quality products at affordable prices. Easy day stores are one stop shops that cater to every family's day-to-day needs. Merchandise at easy day Market stores include apparels, home furnishings, appliances, mobile phones, meat shop, general merchandise, fruits and vegetables among others.

Created on the neighborhood shop format, the much-awaited retail operations 'EasyDay' was introduced by Bharti Retail Limited at Dehradun in Uttrakhnad. Bharti Retail Limited happens to be a wholly-owned subsidiary of Bharti Enterprises and its Easy Day retail operations will act as a one-stop shop catering to a family's day-to-day needs.

As such, the Easy Day Stores will provide Indian consumers a wide range of products of excellent quality apart from proffering a nice ambience and service. Among the range of items you can look forward to buying from the Easy Day stores include personal care products, stationery, household articles, hosiery items, daily-need groceries like staples, processed foods, bakery and dairy products, meat and poultry and fresh produce.

It was announced by the company that Easy Day will gives jobs to the locals in the Ludhiana area where it has been set up. Further on those who will be selected for the job will be trained by Bharti Academy of Retail, which has been established by Bharti Retail Limited. This academy has already trained about 1,800 local people from different sections of the society.

7. Objectives of the study

❖ To investigate customer's perception and satisfaction towards organized retail outlets

- ❖ To identify the mall shopping motivation of different age groups of consumers (teenagers, middle aged, and elderly)
- ❖ To identify shopping motivation of males and females
- ❖ To study the discriminating factors that lead to customers' preference towards organized retailers.
- ❖ Discover strategies that retailers could adopt on the above

8. Research Methodology

This is basically a descriptive study concerned with identifying and comparing shopping motivation of different types of consumer for RETAIL OUTLETS

Sampling Technique: Stratified random sampling was used
Sample size: 300
Sampling unit: Retail consumer
Sampling area: Dehradun & Kashipur

Sources of data

- ❖ The study involves the primary data which is collected through questionnaire, interview, and observation.
- ❖ It involves use of secondary sources such as web and other research articles printed by various financial institutions and other journals and magazine.
- ❖ It involves analysis and tabulation of data which is collected from customers is done by various means such as line graphs, pie charts and bar graphs.

9. Result and Discussion

Customers' perception and motivation towards different aspects of retail outlets were compared. Before going in for analysis, the Likert Scale attributes were assigned weights as under:

Agree =1, Neutral =0, Disagree = -1 Satisfied = 1, Neutral = 0, Dissatisfied = -1

Most Important = 2, Important = 1, Neutral = 0, Unimportant = -1, Most Unimportant = -2 and the results obtained through data analysis have been discussed in the paper.

9.1 Socioeconomic characteristics of the customers

The data given in table 1 shows all age group visited retail outlets. This shows that younger people visit mega marts more frequently as compared to their older counterparts, with the family income. It came down from 62.3% of customers with low family income to 8.7% of them having Majority of customer was female. This may be due to now female domination in the decision making process

Table-1 shows that the customers visiting mega mart was inversely related family income more than Rs. 40,000. This shows that mega mart could not attract the very rich class. They prefer malls for shopping.

Table 1: Socioeconomic characteristics of the customers

	Number of Respondent	*Percentage (%)*
Kids	10	3.3
Teens	50	16.7
Young	65	21.7
Middle age	125	41.7
Elderly	50	16.7
Gender		
Male	137	45.7
Female	163	53.3
Family Income in Rs.		
<10,000	73	24.3
10,000-20,000	114	38.0
20000-40000	87	29.0
>40000	26	8.7

9.2 Reasons for preferring a Mega Mart

Table-2 shows that majority of the customer (74.3%) agreed upon the convenience at the mega mart responsible for their preference. It is followed by less time consuming (73%), safety (67.7%), location (66.7%) and uniqueness (60.3%)

Table 2: Reasons for preferring mega mart

Reasons	*Agree (%)*	*Neutral (%)*	*Dis-agree (%)*	*Mean score (%)*	*Overall preference*
Safety	203 (67.6)	60 (20.0)	37 (12.2)	0.55	III
Convenience	223 (74.3)	63 (21.0)	14 (4.6)	0.69	I
Uniqueness	181 (60.3)	74 (24.6)	45 (15.0)	0.45	v
Less time consuming	219 (73.0)	49 (16.3)	32 (10.6)	0.62	II
Location	200 (66.6)	80 (26.6)	20 (6.6)	0.60	IV

9.3 Safety and Parking facilities

The table-3 reveals that as far as safety facilities at retail outlets are concerned, 51% customer were satisfied, while 30.7% expressed dissatisfaction. Whereas, in reference to parking facilities at retail outlets, only 40.3% customer were satisfied, while 34% expressed dissatisfaction

Table 3: preference to safety and parking facilities at mega marts

		Sample	*Satisfied*	*Neutral*	*Dis-satisfied*
Safety Facilities	Sample	300	153	55	92
	Percentage		51.0	18.3	30.7
	Mean score	0.22			
Parking Facilities	Sample	300	121	77	102
	Percentage		40.3	25.7	34.0
	Mean score	0.0633			

9.4 Spending on different items

The data given in table-4 show that total spending was incurred on grocery (38.4%) followed by clothing's (14.2%) and eatables(14.1%). The lowest proportion i.e. 0.6% of the total spending at mega mart was incurred on communication instruments.

Table 4: Proportion of spending on different items at mega mart

Items	Mean	Position
Clothing	14.2	II
Grocery	38.2	I
Footwear's	8.4	VI
Cosmetics	13.2	IV
Eatables	14.1	III
Durables	8.9	V
Communication	0.6	VIII
Jewellery	2.4	VII
Total	100	

9.5 Importance of different factors for purchase for young people

The table reveals that as far as importance of different factors for purchase for young people good ambience (46.2%) considered as important factor, followed by variety of brands (27.7%) and behaviors of staff (3.1%) came to the least important factor for young people.

Table 5: Importance of different factors for purchase for young people

Reasons	Mean (%)	Overall preference
Good ambience	46.2	I
Quality	4.7	IV
Discount	18.5	III
Variety of brands	27.7	II
Behaviors of staff	3.1	V

9.6 Importance of different factors for purchase for Middle aged people

The table reveals that different factors were rated as per the level of importance for purchase for Middle aged people Variety of brands (52%) considered as important factor ,followed by Good ambience (19.2%) and behaviors of staff (7.2%) came to the least important factor for Middle aged people .

Table 6: Importance of different factors for preferring mega mart for Middle aged people

Reasons	Mean score	Overall preference
Good ambience	19.2	II
Quality	13.6	III
Discount	8	IV
Variety of brands	52	I
Behaviors of staff	7.2	V

9.7 Importance of different factors for purchase for Middle aged people

The table reveals that variety of brands (52%), discount (26%) emerged as the important factors influencing elderly customers purchase decision, while Good ambience (6%) and behaviors of staff (4%) came to be the least important factors in this regard

Table 7: Importance of different factors for preferring mega mart for Elderly people

Reasons	Mean score	Overall preference
Good ambience	6	IV
Quality	12	III
Discount	26	II
Varity of brands	52	I
Behaviors of staff	4	V

9.8 Shopping motivation of Men vs. Women

Table-8 Shopping Motivating factors of men at retail outlets Men and women both enjoy retail outlets but women motives are more hedonic (fun enjoyment oriented) as they consider shopping a fun, where as males consider shopping as a chore and hence convenience **and** quality appeal and quality appeals to thus their motives for visit are more utilitarian in nature.

Table 8: Shopping Motivating factors of male and female at retail outlets

	respondent	Hedonic (%)	Utilitarian (%)
Male	137	100 (72.99)	37 (27.01)
Female	163	120 (73.6)	43 (26.4)

10. Suggestion

The organized retail outlets should improve the quality of vegetables and fruits they provide to customer and also provide home delivery facility. Some lower class customer s voice their complaints that they visited some stores with intention of purchase the rude staff behaviors made them feel uncomfortable, so to make comfortable the store employee should be taught how to identify different type of customers.

Many Elderly /Middle aged with kids who usually shop at the weekend for grocery etc, find it hard to move from one store to another with huge packets. Many times the kids/elderly are tried and they abandoned their trip half away due to huge shopping bags and lack of proper place to keep their bags. SO, the owners should ensure that there are some rest areas or human parking spaces so that people can relax while shopping.

11. Conclusion

Research Conducted reveals that the average customers prefer to purchase from organized retail outlets. Also it was found that most of the respondents are satisfied with the quality, price and product range of goods provided by organized retail outlets. In this study it is found that customers want to spend more at organized retail outlets.

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