Consumer Behaviour – A Study with Special Reference to Retail Stores, Trichirapalli

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ABSTRACT

In this paper, researchers have studied about the behaviour of consumers on their different purchasing pattern in retail stores. The components viz., product availability, spending pattern, customers' preferences, service by salesmen and store layout were chosen. The primary objective of this paper is to find out the level of consumer buying behaviour and factors influencing buyer behaviour among the occurrence of selected retail stores such as Reliance Trends Mart, Life style, Max, Pantaloons in Trichy City. The researchers have taken certain independent factors and grouped them into different variables to find out the relationship with demographic factors. A sample of 100 has been collected and analyzed through the statistical tools such as descriptive analysis, correlation, one way ANOVA, regression and chi-square test. The results clearly revealed that the factors viz., reliability, responsiveness, assurance, empathy, tangible and product and quality influence the consumer behaviour in the retail stores.

Keywords: Consumer behaviour, Brand loyalty, Spending pattern & Consumer satisfaction.

1. INTRODUCTION

Consumer Behaviour is defined as the behaviour that customers display in searching, buying, consuming, evaluating, and arranging of merchandises and facilities that they believe will fulfil their requirements. It emphases on how persons make decisions to spend their available resources (time, money, effort) on consumption- related items. Consumer behaviour is the study of how individuals purchase, what they purchase, when they purchase and why they purchase. It blends features from psychology, sociology, social

psychology, anthropology and economics. This study has brought to fore the variations in the level of consumer based on demographic variables and other chosen factors that are closely related to consumer behaviour.

2. STUDY VARIABLES

The study variables include demographic variables such as Age, Gender, Marital Status, Type of family, Occupation, Number of earning person in the family, Annual Income and the independent factors such as Reliability, Responsiveness, Assurance, Empathy, Tangible. The researchers have chosen the outcome variables such as Brand loyalty and Customer satisfaction to study the relationship with consumer behaviour and its impact.

3. STATEMENT OF THE PROBLEM

In this contemporary business scenario in India, retail customers are having value expectations, different product and service choice, accessibility and availability of products and services. The other fact is the current economic climate in the retail landscape is constantly changing in India, where customers are expecting promotional offers to make their purchases; hence the strategy is in servicing consumers economically. In the retail business in terms of consumer behaviour is concerned, business intelligence starts with understanding the customer, for which periodic data collection, analysis and use regarding customer satisfaction and the factors influencing loyalty towards retail store, is the need of the hour to be explored consistently. Hence, periodic research information about consumer behaviour in retailing will add insights for the retail strategist and which will help retailers in building competitive advantage over their competitors and retailers who can delight their customers across all contact points and occasions will build relationships that will deliver incremental revenues. Henceforth, the researchers have made an attempt to study the consumer behaviour and its effect with respect to retail stores.
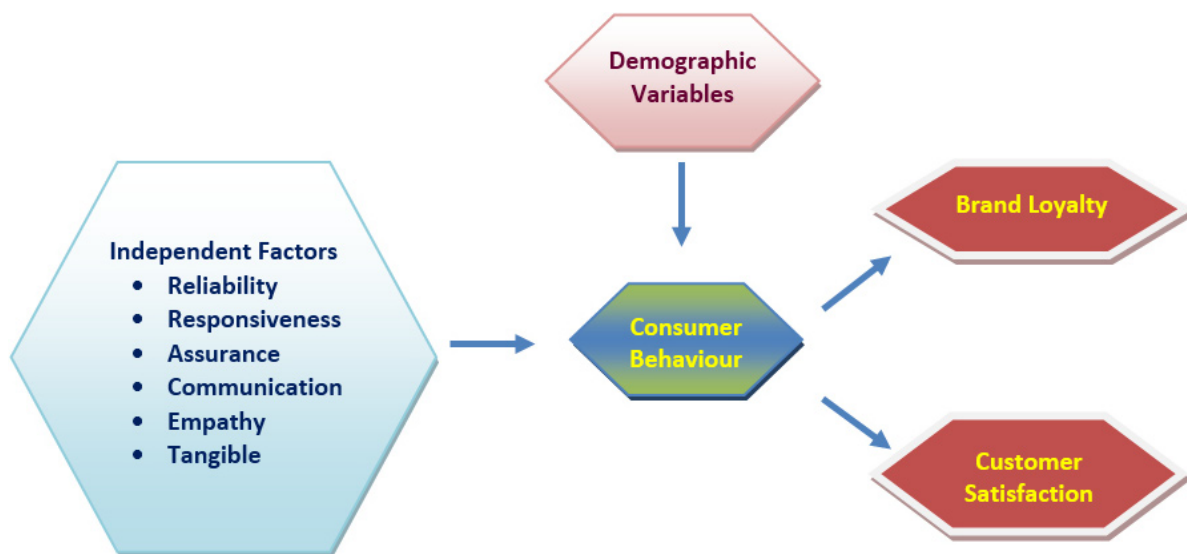
4. CONCEPTUAL FRAMEWORK

Figure 1: Conceptual Framework of Consumer Behaviour

5. OBJECTIVES OF THE RESEARCH

The objectives of the research are as follows:

- To study the relationship between demographic factors of respondents and consumer behavior among the retail stores.

- To understand the variation between the independent factors and consumer behavior among the retail stores.

- To study the effect of reliability, responsiveness, assurance, empathy, tangible are independent factors on consumer behaviour.

- To study the relationship between job satisfaction and Brand loyalty and Customer satisfaction.

- To study the effects of job satisfaction and Brand loyalty and Customer satisfaction.

6. RESEARCH METHODOLOGY

This study is carried out with the help of primary data collected through the structured questionnaire. The data were collected from 100 respondents randomly from different retail stores such as Reliance Trends Mart, Life style, Max, Pantaloons in Trichy. The statistical tools viz., descriptive analysis, correlation, one way ANOVA, regression and chi-square test used for the analysis.

7. SCOPE AND LIMITATIONS OF THE RESEARCH

The study is carried out based on 100 samples collected from selected retail stores in Trichy. The results are not generalised in nature and it may vary as per the opinions of respondents.

8. HYPOTHESIS STATEMENTS

1. There is no association between the demographic factors and consumer behaviour.

2. Individual factors do not vary with the demographic characteristics of the respondents.

3. There is no significant effect of individual factors on consumer behaviour.

4. There is no relationship between consumer behaviour and outcome variables.

9. LITERATURE REVIEW

Most previous studies in retailing suggest that consumer's behavior towards a store depends on the store attributes (Nguyen et. al., 2010). Generally, the more favorable towards the store image, the higher the chance that the store will be preferred and visited by the consumers. However, some of the attributes may weigh more heavily than others in influencing retail store choice decision. Thus, some store attributes are more important than others when consumers are deciding where to shop for grocery shopping.

Numerous researches have been conducted to examine the impact of store attributes on customer loyalty (Bloemer and Ruyter, 1998; Nguyen et. al., 2010). Most of the studies found that store attributes have a positive impact on store loyalty. It is found that the loyalty towards the store is affected by the

consumers in-store experience with the characteristics of the store. In other words, it is important for the shopper to notice and pay attention to the attributes, in order to influence their subsequent behavior such as re-patronage behavior. However, a study by Bloemer and Ruyter (1998) found that store image does not directly influence store loyalty. Instead, the study suggests that the relationship of store image and store loyalty is mediated by store satisfaction.

Koo (2003) found that only certain store attributes (store atmosphere and value) have a positive impact on store satisfaction. On the other hand, Oliver (1999) finds that satisfaction is a necessary step in loyalty formulation. Satisfaction is often regarded as an antecedent of loyalty. It is found that the re-patronise intention will increase when the consumer satisfaction increases (Grace and Cass, 2005). However, Koo (2003) found that satisfaction has an insignificant positive effect on store loyalty in the discount retail channel. So, it is worthwhile to investigate whether satisfaction has a positive impact on store loyalty.

The retailers or marketers job does not end with the consumers' decision to shop at the store. It is important for the retailers to continue to monitor consumers' post-purchase behaviour such as satisfaction level, which will eventually lead to his or her subsequent behaviour, such as willingness to re-patronize the store or become a loyal, committed customer. Thus, some studies also study the relationship of store attributes, customer satisfaction and store loyalty (Blomer, Ruyter, 1998; Koo, 2003; Nguyen et. al., 2010).

Freed, L. (2005) reported the findings from our measurement of customer satisfaction with the multi-channel shopping experience which includes multi-channel shoppers who use the web as their primary research channel are more satisfied than those who primarily use the store to research purchases. And, shoppers who research and buy on the web showed significantly higher levels of satisfaction, loyalty and likelihood to purchase online and offline in the coming year, the web is a critical component and a key growth opportunity in any retailer's multi-channel strategy because it appeals to the most loyal customer segment and reinforces brand image. Frequent shoppers are more satisfied than first-time buyers and infrequent buyers. However, the less frequent shopper segments who shop and buy online are considerably more satisfied than those who shop and purchase in stores. Brand image and the store channel are high priorities for improvement for retailers across categories; additional priorities vary by retail category. Buying holiday sales through promotional offers may compromise loyalty in the long run. Retailers won't achieve their acquisition and retention goals with "bought" loyalty strategies. Instead, they need to earn loyalty by providing a greater overall value in the customers' eyes.

Zhang (2015), States that the impact of operations elements such as quality and speed on customer loyalty, an important outcome of this research is the evidence that dependability is a driver of customer Loyalty. This represents a key finding of the study, as it not only adds to the knowledge and understanding of the driving forces of customer loyalty but also highlights how critical dependability is to sustain the overall performance of operations impacting customer loyalty. Another important aspect to consider is that speed, in terms of average lead time, not only sets the reference for the internal assessment of dependability performance but, most importantly, it also sets the level of customers' expectation for the dependability of the service. According to our findings, failure to meet promised deadlines harms customer loyalty. Responding to this by offering a higher lead time with the purpose of bringing customers' expectations down might complicate instead of solving the problem as lead time is often an order winning factor. Rather than increasing lead time companies should actually review their operations processes with the purpose of

reducing the lead time in the different stages comprising the service delivery system. The sales department can then offer competitive lead time without compromising the operations dependability.

10. RESULTS & DISCUSSION

The above table depicts that 47% of respondents were in the age group of 15-30 years and 4% of respondents were in the age group of above 60 years. This table also shows that 62% of respondents were male and the rest of 38% respondents were male. 54% of the respondents were married and the rest of 46% respondents were unmarried.

Table 1
Demographic profile of the respondents

S.No	Demographic Factors				
1	Age (Yrs) %	*15-30*	*30-45*	*45-60*	*Above 60*
		47	36	13	4
		47	36	13	4
2	Gender %	*Male*		*Female*	
		62		38	
		62		38	
3	Marital Status %	*Married*		*Unmarried*	
		54		46	
		54		46	
4	Type of Family	*Nuclear Family*		*Joint Family*	
		77		23	
		77		23	
5	No. of earning person in the family %	*1*	*2*	*3*	*4 & above*
		58	33	6	3

Source: Primary Data

Table 1 also depicts 77% of respondents were living as nuclear family and the rest of 23% respondents were Joint Family. 27% of the respondents were employed for wage, 3% were others of occupation. The Table 1 also shows that 58% of respondents were one, 33% were two, 6% were three and 3% were four earning person in the family. 39% of respondents are drawing an annual income group of ₹2 Lakhs to ₹3 Lackhs.

Table 2
Chi-Square Test between Demographic factors and Consumer Behaviour

S.No	Factors	χ^2 Value	Sig.	Decision
1.	Gender	0.360	0.549	Accept
2.	Age	47.600	0.000*	Reject
3.	Marital status	0.640	0.424	Accept
4.	Type of family	29.160	0.000*	Reject
5.	Occupation	20.212	0.001*	Reject
6.	Number of earning person in the family.	53.120	0.000*	Reject
7.	Average annual income	71.720	0.000*	Reject

*= H_o accepted at 5% significance level

Hypothesis (H$_0$): There is an association between demographic factors of respondents and the consumer behaviour.

From the above table, it was inferred that there is no association between the demographic factors viz., age, type of family, occupation, number of the earning person in the family and average annual income years of the respondents with the consumer behaviour, since the null hypothesis is rejected ($p < 0.05$). The researcher also found that there is an association between gender and marital status of the respondents with that of the consumer behaviour, since the null hypothesis is accepted ($p > 0.05$). Som Aditya Juyal (2013), Statistical test supports for significant and influence of demographics on consumer purchasing behaviour.

Table 3
Independent Factors and the Age of the respondents – One way ANOVA

Independent Factors	F	Sig. Value	Result
Reliability	1.379	0.295	Accepted
Responsiveness	1.485	0.391	Accepted
Assurance	1.831	0.245	Accepted
Empathy	1.063	0.424	Accepted
Tangible	1.143	0.454	Accepted

* = H$_0$ accepted at 5% significance level

Hypothesis (H$_0$): There is significant difference between age and independent factors of consumer behaviour.

From the table, the researcher found that there is significant difference between age of the respondents and independent factors of consumer behaviour such as reliability, responsiveness, assurance, empathy and tangible at 5% significance level ($p > 0.05$).

Table 4
Unstandardized Coefficients of Regression Model –
Independent factors And Consumer behaviour

S. No	Predictors	Unstandardized Coefficients		Sig.
		B	Std. Error	
	(Constant)	2.925	1.247	0.021
1	Reliability	0.042	0.160	0.592
2	Responsiveness	−0.047	0.127	0.161
3	Assurance	−0.082	0.181	0.648
4	Empathy	−0.034	0.157	0.364
5	Tangible	0.164	0.164	0.729

R = 0.793 R Square = 0.628
* = significance at 5% level

Hypothesis (H$_0$): There is no significant effect of independent factors on consumer behaviour.

The above result of regression shows that the independent factors viz., reliability, responsiveness, assurance, empathy and tangible ($p > 0.05$) are statistically significant towards consumer behaviour. The R

value represents the simple correlation and is 0.793, which indicated a high degree of correlation between the consumer behaviour and independent factors. The R^2 value indicated that 62.8 % (0.628) of variance in dependent variable *"consumer behaviour"* is explained by the independent factors.

Table 5
Chi-Square Test between Consumer Behaviour and Outcomes –
(Brand loyalty and Customer satisfaction)

S.No	Factors	χ^2 Value	Sig.	Decision
1.	Brand loyalty	42.53	0.000*	Reject
2.	Customer satisfaction	40.51	0.000*	Reject

*= Ho accepted at 5% significance level

Hypothesis (H_0): There is significant relationship between the consumer behaviour and outcome factors.

The Table 5 shows that significance of the chi-square values are less than 0.05, hence the null hypothesis is rejected and it is inferred that there is no significant relationship between consumer behaviour and outcomes – brand loyalty and customer satisfaction.

Table 6
Unstandardized Coefficients of Regression Model –
Consumer behaviour and outcomes (Brand loyalty and Customer satisfaction)

S. No	Predictors	Unstandardized coefficients		Significance
		B	Standard error	
	(Constant)	1.493	0.817	0.071*
1	Brand Loyalty	0.1004	0.1094	0.331*
2	Customer satisfaction	–0.0535	0.1405	0.502*

R = 0.874 R Square = 0.713

Hypothesis (H_0): There is no significant effect of consumer behaviour on the outcome factors.

The above table shows that the R value which represents the simple correlation and is 0.874 which indicated a high degree of correlation between the outcome factors and consumer behaviour. The R^2 value indicated that 71.3 % (0.713) of variance in dependent variables "Brand *loyalty and Customer satisfaction"* is explained by the independent variable viz., consumer behaviour.

From the table, it can be inferred that there is ($p < 0.05$) statistical significant effect of employee engagement on the outcome factors viz. Brand loyalty and Customer satisfaction.

11. MAJOR FINDINGS

Researchers found that 47% of respondents were in the age group of 15-30 years and 4% of respondents were in the age group of above 60 years. This table also shows that 62% of respondents were male and the rest of 38% respondents were male. 54% of the respondents were married and the rest of 46% respondents were unmarried. Researchers could identify that 77% of respondents were living as nuclear family and the rest of 23% respondents were Joint Family. 27% of the respondents were employed for wage, 3% were others of occupation. The results also shows that 58% of respondents were one, 33% were two, 6% were three and 3% were four earning person in the family. 39% of respondents are drawing an annual income group of ₹2 Lakhs to ₹3 Lakhs.

From the analysis, it was inferred that there is no association between the demographic factors viz., age, type of family, occupation, number of the earning person in the family and average annual income years of the respondents with the consumer behaviour, since the null hypothesis is rejected ($p < 0.05$). The researchers have also found that there is an association between gender and marital status of the respondents with that of the consumer behaviour, since the null hypothesis is accepted ($p > 0.05$).

The results showed that there is significant difference between age of the respondents and independent factors of consumer behaviour such as reliability, responsiveness, assurance, empathy and tangible at 5% significance level ($p > 0.05$). The outcome of regression shows that the independent factors viz., reliability, responsiveness, assurance, empathy and tangible ($p > 0.05$) are statistically significant towards consumer behaviour. The R value represents the simple correlation and is 0.793, which indicated a high degree of correlation between the consumer behaviour and independent factors. The R^2 value indicated that 62.8 % (0.628) of variance in dependent variable *"consumer behaviour"* is explained by the independent factors.

The significance of the chi-square values inferred that there is significant relationship between consumer behaviour and outcomes – brand loyalty and customer satisfaction. Also R value which represents the simple correlation and is 0.874 which indicated a high degree of correlation between the outcome factors and consumer behaviour. The R^2 value indicated that 71.38 % (0.713) of variance in dependent variables *"Brand loyalty and Customer satisfaction"* is explained by the independent variable viz., consumer behaviour.

12. CONCLUSION

From the results, it is explored that the independent factors viz., reliability, responsiveness, assurance, empathy and tangible influence the consumer behaviour in the retail stores in Trichy. Certain demographic factors are also influenced more on the consumer behaviour. Hence, the researchers have suggested the study factors have to be given more importance by the retailers without compromising anything. If it will be continued, the stores will trigger the customer satisfaction and brand loyalty.

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