

CONSUMERS' BUYING BEHAVIOR AND PREFERENCE TOWARDS ORGANIZED RETAIL IN BIG BAZAAR

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According to McKinsey and company, in its report stated that the great Indian bazaar and the organized retail comes of age in India and noted that these are exciting times for Indian retail. By 2015, India is set to become a \$450 billion retail market, comparable in size to Italy (\$462 billion) and much larger than Brazil (\$258 billion). The report estimates that organized retailing accounts for less than 5% of today's market, but is expected to expand to anywhere between 14% and 18% by 2015. In order to achieve a competitive position in the market all modern retail stores work more and wants to retain their customer by offering more discount, schemes and benefits to their customer and also use modern technology to speed up their services in order to satisfy the reliable customers' in big cities. In this scenario consumer behaviour helps to identify the behaviour of the consumer upon that product and also for the market. The main objective of the study is to find the overall consumer buying behavior and preference. Data from the customers visiting big bazaar were collected as population study. The primary data was obtained through questionnaire and secondary data from the company records and through internet. This research work will propose a true idea that identifies key factors which are of great importance to measure the customers' buying behavior and preference towards organized retailing in big bazaar located in Chennai city, Tamil Nadu. From the descriptive analysis it was found that majority of the customers' were satisfied with the services provided to them.

Key words: Consumer behaviour, organized retailing, big bazaar, customer service, technology.

INTRODUCTION

In the words of Philip Kotler, a leading Marketing Guru; "The term consumer behaviour is defined as the behavior that consumer display in searching for, purchasing using, evaluating and disposing of products and services that they expect will satisfy their needs". Consumer behaviour is the study of when, why, how, and where people do or do not buy products, It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt 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. In this background, this research work will brings a true idea that identifies key factors which are of great importance to measure the customers' buying behavior and preference towards retailing in big bazaar located in Chennai city, Tamil Nadu.

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ORGANIZED RETAILING

Organized retail penetration is at present about 8%, indicating the huge opportunity for growth, driven by hordes of aspiring consumers hailing from smaller Tier-3, 4 and 5 towns across the length and breadth of the country. With media explosion, Internet penetration and social networking on the rise in these markets, there is a perceptible change in demographics, which is fuelling this trend.

RETAIL TRADE AT GLOBAL LEVEL

The data pertaining to retail trade in India and at South East Asia level was depicted in the following table 1. It is very clear from the table that India's organized retail is less than 4 per cent and unorganized retail is 96 per cent compared to other countries situated in South East Asia.

TABLE 1: RETAIL TRADE IN INDIA AND SOUTH EAST ASIA

<i>Country</i>	<i>Organized Sector</i>	<i>Unorganized Sector</i>
Malaysia	50	50
Thailand	40	60
Philippines	35	65
Indonesia	25	75
China	20	80
South Korea	15	85

Source: CRISIL, 2015

ORGANIZED RETAILING IN INDIA: CURRENT SCENARIO

Yet, through organized retailing began in the 1990s. It consolidated over the next decade and is now poised for rapid growth. However, it still constitutes an insignificant share of the total retail trade in the country. According to McKinsey and company, in its report stated that the great Indian bazaar and the organized retail comes of age in India and noted that these are exciting times for Indian retail. By 2015, India is set to become a \$450 billion retail market, comparable in size to Italy (\$462 billion) and much larger than Brazil (\$258 billion). The report estimates that organized retailing accounts for less than 5% of today's market, but is expected to expand to anywhere between 14% and 18% by 2015. Importantly, in just about four years, 65 million households and adding up to 300 million individuals, almost equaling the U.S. population, would patronize organized retailing.

CONCEPTUAL FRAMEWORK OF THE STUDY

Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Relationship marketing is an influential asset for customer behaviour analysis as it has a keen interest in the re- discovery of the true meaning of marketing through the re-

affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalization, customization and one-to-one marketing. Social functions can be categorized into social choice and welfare functions.

PROBLEM RECOGNITION

Problem recognition results when a consumer recognizes a difference of sufficient magnitude between what is perceived as the desired state of affairs and what is the actual state of affairs, enough to arouse and activate the decision process. The type of problem recognitions are Routine problem and Emergency problem.

INFORMATION SEARCH

Once the consumer has recognized a problem, they search for information on products and services that can solve that problem. The relevant internal psychological process that is associated with information search is perception. Perception is defined as 'the process by which an individual receives, selects, organizes, and interprets information to create a meaningful picture of the world'.

INFORMATION EVALUATION

At this time the consumer compares the brands and products that are in their evoked set. How can the marketing organization increase the likelihood that their brand is part of the consumer's evoked (consideration) set? Consumers evaluate alternatives in terms of the functional and psychological benefits that they offer. The marketing organization needs to understand what benefits consumers are seeking and therefore which attributes are most important in terms of making a decision.

PURCHASE DECISION

Once the alternatives have been evaluated, the consumer is ready to make a purchase decision. Sometimes purchase intention does not result in an actual purchase. The marketing organization must facilitate the consumer to act on their purchase intention. The organization can use variety of techniques to achieve this. The provision of credit or payment terms may encourage purchase, or a sales promotion such as the opportunity to receive a premium or enter a competition may provide an incentive to buy now. The relevant internal psychological process that is associated with purchase decision is integration. Once the integration is achieved, the organization can influence the purchase decisions much more easily.

POST PURCHASE EVALUATION

It is common for customers to experience concerns after making a purchase decision. This arises from a concept that is known as "cognitive dissonance". The customer, having bought a product, may feel that an alternative would have been preferable.

In these circumstances that customer will not repurchase immediately, but is likely to switch brands next time. To manage the post-purchase stage, it is the job of the marketing team to persuade the potential customer that the product will satisfy his or her needs. Then after having made a purchase, the customer should be encouraged that he or she has made the right decision. it is not effected by advertisement.

INTERNAL INFLUENCES

Consumer behaviour is influenced by demographics, psychographics (lifestyle), personality, motivation, knowledge, attitudes, beliefs, and feelings. Consumer behaviour concern with consumer need consumer actions in the direction of satisfying needs leads to his behaviour of every individual depend on thinking process.

EXTERNAL INFLUENCES

Consumer behaviour is influenced by culture, sub-culture, locality, royalty, ethnicity, family, social class, reference groups, lifestyle, and market mix factors. Consumer behaviour theory prior to the Second World War was based on accepted economic theory of the “rational man” model of decision making. The central idea of economics is that people make decisions by weighing costs and benefits in a rational manner. The consumer’s objective is therefore to select a set of product quantities that maximize satisfaction (or utility), subject to available income. Utility in this context means the ability of a product to meet functional needs. The consumer then expends their income (budget) and selects specific amounts of the two products. Product prices and income are predetermined and, consequently only the quantities of the two products purchased are varied to maximize utility. Rational therefore means the “explainable” processes of consumer behaviour. Current approaches suggest that behavioral underpinnings in consumer decision processes are beyond pure rational dimensions and stem from both innate and acquired needs that involve a complex combination of conscious and unconscious processes as well as rational and emotional factors. Based on the above conceptualization, the study makes to present below the methodology for the study.

REVIEW OF LITERATURE

The researcher made an attempt to collect information from the prior researches and relevant studies conducted in the area of consumer buying behavior towards organized retailing, so that the important statement of problems for the study could be identified and analyzed. The review of literature has been presented in a summarized and precise manner. **Periyasamy (2014)** analyzed that, yet supermarket shares in India are currently very low (around 2%), due to the country’s massive and complex small retail sector. Supermarkets there face the 20/20/20 challenge: they must grow their food sales by 20% a year for 20 years just to reach a 20% market share. Such unprecedented growth would still leave more traditional

channels holding 80% of the food. **Atul Pandey (2014)** suggested that, easy availability of Debit/Credit cards has contributed significantly to a strong and growing online consumer culture in India. With the online medium of retail gaining more and more acceptance, there is tremendous growth opportunity for retail companies, both domestic and international retailing in south India. **Brown (1987)** has suggested that the costs of a retail format refer to consumers costs. Consumers incur non-monetary costs - time, effort and psychological costs - as well as monetary costs. Savings in non-monetary costs are especially emphasized by non-store formats. Their appeal to consumers has been the ease and convenience of shopping, freed from location and other constraints. **According to Donovan, R. J (1994)** suggested that how retailers entering in India and China can compete with established brands by developing an understanding of vastly different consumer behavior. **Nelson, p (1970)** analyzed that Tesco Corporation has discovered that Asia's shoppers present a unique set of buying behaviors that challenge their traditional in-store plans. A study reveals that 74 percent of supermarket customers in emerging markets look for advice or demos as compared to 34 percent in developed regions. Joungh, Hyun-Mee. Materialism and clothing post-purchase behaviors Journal of Consumer Marketing. Purpose – The purpose of this paper is to investigate materialistic consumers' apparel purchase, compulsive buying, environmental attitudes, and post purchase behaviors regarding hoarding, disposing, and participation in recycling. Design/methodology/approach Clothing is used to express the self. Materialistic consumers tend to be young and highly involved with clothing, and purchase compulsively and more than needed. They are more interested in getting possessions than disposing of them. This study was designed to uncover materialistic consumers' post-purchase behaviors. A survey questionnaire was developed and a total of 333 college students completed it in a classroom setting. Findings Results of a k-means cluster analysis suggested two groups (materialistic consumers and non-materialistic Consumers). Findings of independent t-tests indicated that materialistic consumers had significantly higher scores for apparel purchase, compulsive buying, value- oriented hoarding, and disposing, but lower scores for environmental attitudes than did non-materialistic consumers. No difference was found in participation in recycling between the two groups. Research limitations/implications – This study suggests that marketing media should address benefits and ways to recycle and educate consumers in sustainable consumption behaviors. Originality/value – Due to the nature of fashion, clothing is easily adopted and quickly becomes obsolete. Consumers easily dispose of clothing, which contributes to the increasing volume of textile waste. Although consumers are encouraged to participate in recycling to protect the environment, little research has focused on clothing post-purchase behaviors. Materialistic consumers' post-purchase behaviors regarding apparel hoarding, disposing, and participation in recycling is a new research area.

Sangvikar, B. V.; Katole, Hemant J. In this research paper researchers basically focused on behaviour of consumer mainly on purchasing pattern in various store formats and store preference on the basis of product availability, spending pattern, consumers preferred store, sales man services, and store layout. Researchers observed that the customers prefer retail outlets because of price discount, followed by variety of products in the store and convenience to the customer [6]. Researchers have also observed that departmental stores are most popular amongst consumers [9]. Customers purchase behavior varies with price and availability of products and customers spending pattern shrinks due to poor quality of products.

STATEMENT OF PROBLEM

The above review of literature helps the researcher to identify the following research problems for the study. Globally, the retail business has been going through unparalleled disturbances in the last decade. While the retail sector has shown complete growth, the rate of growth of organized retail has been at finest steady and most often unsatisfactory. Large retailers, who have suffered from absence of growth in their home country/core businesses, have shown a obvious interest in expanding globally and in multiple verticals. Therefore, retail has undergone significant variations and innovations. Most successful marketers have started accepting multi-format/multichannel models to ensure maximum saturation and optimal consumer base. India, being a vital part of the same mix, has also experienced its share of fluctuations. However, the Indian retail story is separate and its uniqueness has been highlighted by several empirical reports over the years on the Indian retail sector (Indian Retail Report, 2009, 2011, 2013; Kearney, 2006; KPMG, 2009). A few points on uniqueness of Indian retail are (1) the share of organized retail remains about 7.5% even after 20 years of existence. (2) Even through India's economic fundamentals have been quite stable, multiple economies coexist with the country. Given the inequality between rural India and the metros and big cities, the same retail strategy and business classical would not be successful in all parts of the country. (3) Given the vast cultural and social variety in the country, targeting consumers precisely and satisfying them adequately is a potentially problematic proposition. (4) Due to the poor set-up, logistics and supply chain competence are seriously compromised. Hence, it is always a challenge to ensure economies of scale in supply chain and processes. (5) The organized share in the food and grocery pie is tiny (1%). Apparel and accessories are the major supporters of organized retail. (6) There is lack of accessibility of credible/panel data and detailed data points regarding the retail sector. Therefore, analytics based decision making and suitable forecasting is challenging. Moreover, it has been seen that in India more studies was conducted on customers' perception, satisfaction, growth, shopper's buying attitude, retail branding, foreign direct investment in retailing and retailing on multiple brand towards organized retailing and only few

studies was conducted in Chennai city on various field like customers' satisfaction, attitude and behaviour on organized retailing but no studies was conducted on customers' buying behavior and preference towards price, quality, variety, branded products, exchange facility, staff knowledge and employee behaviour in organized retailing in big bazaar. The present work takes care of these research gap.

OBJECTIVES OF THE STUDY

1. To study the demographic profile of the respondents.
2. To find out the customers' buying behavior towards organized retailing services in big bazaar.
3. To identify the customers' preference towards price, quality, variety, convenience and shopping experience with organized retailing in big bazaar

HYPOTHESIS

1. Ho. There is no significant association between customers' buying behavior and organized retailing services in big bazaar.
2. 1. Ho1. There is significant association between customers' buying behavior and organized retailing services in big bazaar.

METHODOLOGY

This is based on the descriptive study. Both primary and secondary data was used for the study. Simple random sampling method was used to collect the samples from the respondents who purchase goods from big bazar located in Chennai city. A total of 150 questionnaire were issued and collected only 110 and the remaining 40 questionnaire were not taken into consideration due to incomplete. A well designed stratified questionnaire was framed and it consist of two parts, like first part consist of demographic profile and the second part consist of consumer buying behavior towards retailing in big bazar by using likert's scale. The collected questionnaire was analyzed by using statistical tools like frequency distribution, percentage analysis, correlation and mean score with rank correlation.

TEST OF RELIABILITY

The reliability of the survey instrument was measured using reliability coefficient Cronbach alpha. The Cronbach alpha value of the proposed scale were found to comfortably well above the prescribed limit of the alpha score value of 0.710.

LIMITATIONS OF THE STUDY

The study was conducted only in Chennai city. The sample of the respondents was limited to 110 only. The findings of the study may not be equalized with other similar studies conducted in other big cities in Tamil Nadu.

RESULTS AND DISCUSSION

The results of the study was presented into two parts. The first part of the study was relating to the demographic profile of the respondents and the second part of the study was relating to customers' buying behavior towards retailing in big bazar. The data relating to demographic profile was presented below in table 2 to 6.

TABLE 2: AGE OF THE RESPONDENTS

<i>Age of Respondent</i>	<i>No of Respondents</i>	<i>Percentage</i>
Below 20	13	12
20-30	37	33
30-40	25	23
Above 40	35	32
Total	110	100

Source: Primary data

From the above table that is inferred that 33% of the respondents are from the age group of 20-30, 32% are above 40, 23% from 30-40 and the 12% of the respondents are from below 20.

TABLE 3: GENDER OF THE RESPONDENTS

<i>Gender</i>	<i>No of respondents</i>	<i>Percentage</i>
Male	66	60
Female	44	40
Total	110	100

Source: Primary data

From the above Table that is inferred that 60% of the respondents are male, the rest of the 40% are female.

TABLE 4: MARITAL STATUS

<i>Marital status</i>	<i>No of respondents</i>	<i>Percentage</i>
Married	71	65
Single	39	35
Total	110	100

Source: Primary data

From the above Table that is inferred that 71% of the respondents are married, the rest of the 39% are single.

From the above table that is inferred that 34% of the respondents are earning above Rs.30,000, 29% are earning Rs.10,001-20,000, 23% of the respondents are earning Rs.20,001-30,000 and rest of the 14% of the respondents are earning below Rs.10,000.

TABLE 5: INCOME OF THE RESPONDENT

Monthly income	No of respondent	Percentage
Below Rs. 10,000	15	14
Rs. 10,001-20,000	32	29
Rs. 20,001-30,000	25	23
Above Rs. 30,000	38	34
Total	110	100

Source: Primary data

TABLE 6: OCCUPATION

Occupation	No of respondent	Percentage
House wife	18	16
Private	32	29
Government	17	16
Business	30	27
Student	13	12
Total	110	100

Source: Primary data

From the above table that is inferred that 29% of the respondents are private employees, 27% are doing business, and 16% of the respondents are government employees and house wife, and rest of the 12% of the respondents are students.

Customers' Buying Behavior towards Organized Retailing in Big Bazaar

Rank correlation

The Spearman rank-order correlation coefficient (Spearman's correlation, for short), is a non-parametric measure of the strength and direction of association that exists between two variables measured on at least an ordinal scale. To measure the relationship among price, quality, variety, branded products, exchange facility, staff knowledge and employee behaviour towards customers' buying behavior in retailing in big bazaar were presented in table 7.

From the table 7, we infer that the statistical significant level at 0.01, there is a high positive correlation between the customers' buying behavior towards retailing in big bazaar with price, quality, variety, branded products, exchange facility, staff knowledge and employee behaviour. There is no negative correlation.

Customers' Preference towards Retailing in Big Bazaar

Mean Score with Rank Correlation

The data pertaining to customers' preference towards price, quality, variety, convenience, shopping experience with organized retailing in big bazaar in Chennai city was compared with other big organized retail stores of the respondents and their opinion by using mean score with rank correlation were presented in the table 8.

TABLE 7: CORRELATION

		<i>price</i>	<i>Quality</i>	<i>Variety</i>	<i>Branded products</i>	<i>Exchange Facility</i>	<i>staff Knowledge</i>	<i>Employee Behaviour</i>
Price	Correlation Coefficient	1.000	.669**	.690**	.389**	.549**	.248**	.255**
	Sig. (2-tailed)	.	.000	.000	.000	.000	.009	.007
	N	110	110	110	110	110	110	110
Quality	Correlation Coefficient	.669**	1.000	.611**	.682**	.449**	.583**	.495**
	Sig. (2-tailed)	.000	.	.000	.000	.000	.000	.000
	N	110	110	110	110	110	110	110
Variety	Correlation Coefficient	.690**	.611**	1.000	.474**	.529**	.231*	.268**
	Sig. (2-tailed)	.000	.000	.	.000	.000	.015	.005
	N	110	110	110	110	110	110	110
branded	Correlation Coefficient	.389**	.682**	.474**	1.000	.484**	.541**	.479**
	Sig. (2-products tailed)	.000	.000	.000	.	.000	.000	.000
	N	110	110	110	110	110	110	110
exchange	Correlation Coefficient	.549**	.449**	.529**	.484**	1.000	.336**	.273**
	Sig. (2-facility tailed)	.000	.000	.000	.000	.	.000	.004
	N	110	110	110	110	110	110	110
staff	Correlation Coefficient	.248**	.583**	.231*	.541**	.336**	1.000	.776**
	Sig. (2-knowledge tailed)	.009	.000	.015	.000	.000	.	.000
	N	110	110	110	110	110	110	110
employee	Correlation Coefficient	.255**	.495**	.268**	.479**	.273**	.776**	1.000
	Sig. (2-behaviour tailed)	.007	.000	.005	.000	.004	.000	.
	N	110	110	110	110	110	110	110

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

TABLE 8: MEAN SCORE WITH RANK CORRELATION

<i>Variable</i>	<i>Strongly Agreed</i>	<i>Agreed</i>	<i>Neutral</i>	<i>Disagreed</i>	<i>Strongly Disagreed</i>	<i>Total score</i>	<i>Weighted Average</i>	<i>Rank</i>
Less price	32	59	14	3	2	446	89.2	I
Variety	26	59	20	3	2	434	86.8	II
Good quality	25	48	29	5	3	417	83.4	IV
Convenience	21	55	26	5	3	416	83.4	V
Shopping Experience	24	51	29	5	1	422	84.4	III
Service	19	41	29	15	6	382	76.4	VI

Source: Primary data

From the above table that is inferred that less price scored 4.46 was ranked 1, variety of goods scored 4.34 was ranked 2, shopping experience scored with 4.22 was ranked 3, good quality scored 4.17 was ranked 4, convenience scored with 4.16 was ranked 5 and service scored with 3.82 was ranked 6.

FINDINGS OF THE STUDY

1. In big bazaar, 33% of the respondents are from the age group of 20-30.
2. 60% of the respondents are male, who visiting frequently to the big bazaar.
3. Majority (71%) of the respondents are married people visiting big bazaar in Chennai city.
4. The study found that the high positive correlation between the customers' buying behaviour towards price, quality, variety, branded products, exchange facility, staff knowledge and employee behaviour in organized retailing in big bazar.
5. Further, the study found that the customers' preference towards price, quality, variety, convenience, shopping experience with organized retailing in big bazaar in Chennai city was compared with other big organized retail stores, majority of the respondents agree and prefer that less price scored 4.46 was ranked 1, and variety of goods scored 4.34 was ranked 2. Therefore, it is very clear that most of the city customers' give more importance to less price only.

CONCLUSION

Based on the study, it is concluded that, the purchasing power of the consumer in India has also increased; giving rise to his wants and needs. It is over here that big retail chains such as Big Bazaar come into picture satisfying various consumer needs under one roof. The customers are highly satisfied with buying behaviour and preference towards variety of products, but at the same time they are not very happy with the quality and availability of branded products. Big Bazaar has definitely succeeded in keeping up its image of a value for money store, as its

price has been rated positively. The promotions are not hitting the target. Although Big Bazaar has been promoting their offers, most of the customers are introduced to these only at the store. Customers are delighted with the location of Big Bazaar as it is located in the most intensely populated area of Chennai. Big Bazaar has been successful in keeping up its promise of providing value for money goods, but today customers look beyond price, such as quality, employee behaviour, store atmosphere etc. Big Bazaar has scope for improvement in these yields.

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