An Empirical Study on Customer Preferences and Buying Behaviour with Reference to Retail Outlet

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ABSTRACT

In the present scenario of the digital era, digital media is empowered with capabilities to measure and optimize ad spend. The retailers must focus on developing brand preference ensuring getting hands on all the advantages of digital media. The consumers have patronized the new form of retail. This study aims to understand customer preferences and buying behaviour in relation to the retail business with reference to Ratnadeep retail outlet. The relationship between the preferences and buying behaviour from a psychological perspective of the customer is analysed. The study pointed out that the changing lifestyle pattern of the city is the key factors that determine the satisfaction level towards retail store. The retail outlet has identified the need of the customer and is able to satisfy the same whether in terms of the variety of the product or quality or brands preferred or buying behaviour.

INTRODUCTION

Study on consumer's behaviour is one of the crucial tasks for any retail business. It becomes simple in observing one aspect of this behaviour, like in the present case, the consumers' preference for a certain organization. Along the research consumers express their needs and desires and may persist in an opposite way; at times, they are not aware of the true stimulus behind their buying behaviour and they react to factors influencing last minute changes to their buying decision. Although the consumer decisions are relatively easy to heed but the psycho-physiological processes behind them are very difficult to take into account. Organizations frame such strategies considering the factors determining customer preferences that would yield preferences ensuring a profitable and high market share business. A survey on Customer preference scan provides an agglomeration of information to be understood and sorted by the researcher in an appropriate manner and methodology. Detailed information of a customer forms a strong and basic platform for any marketing strategy or plan or decision making as such. Perhaps the most important ingredient of any strategy or plan or decision would be to identify and understand the need and objectives of their customer and how the same can be satisfied. Ratnadeep Super market was started in the year 1987 as retailer for Groceries and FMCG products. It started with a single store and has 47 operational stores now and many more in the pipe line covering every important locality in the city of Hyderabad.

LITERATURE REVIEW:

Rama Venkatachalam and Arwah Madan [1] in their research on consumer preference in relation to fresh groceries have highlighted on level of prices, quality of fresh groceries & availability of exotic fruits and vegetables, display & cleanliness and hygiene, home delivery & credit facility provided by both the organized and unorganized retailer. Further they also mentioned the trends of multiple earning members in a family, transforming retail landscapes, young demographic profile and multiplying consumers yearning to

shop in retail outlets. Retailers are at the end of any supply chain. According to Ms. Anshu singh Choudhary [2] Retailing is a cardinal part of the world commerce contributing in large numbers to the economy. Retailing not only meets the demand but also created employment. A. Shanthi [3] in her research expressed that a retailer is the one who meets the customer's requirement and prolongates life of business. P. Ravilochanan and B. Shyamala Devi [4] pointed out that the size of organized retail in India remained at 3% and there is enormous scope for improving the share of organized retail in the market. The country is witnessing entry of a number of big retail business players, established by some of the leading Indian industrial houses like Reliance and Tatas, though the stores like Nilgiris and Spencers were in existence for a longer duration much before the liberalization era. A research conducted by Martin and Turley [5], found that Generation Y in the USA adult are strongly motivated by objective emphasizing on the value of the product purchased. Conversely, the findings for this research, indicates that Generation Y adult in Malaysia are socially motivated mall shoppers. It is worth while studying the linkage between customers where in customers in Malaysia are not brand conscious rather visit stores that provide then trends in vogue. On the other hand visiting shopping malls for generation Y of USA is to hang out with friends increasing their expenditure. Nanayakkara C [6] suggests that the basic four P's of marketing – price, product, promotion and place studied since ages could work for retailers only if traditional media is used to influence customer preference and buying behavior. Further the new era of urgency in advertising: the age of preference and relevancy has completely changed the retail game. He proposed four new Ps – preference, programmatic, pervasiveness and post-impression activity as new necessary levers of control retailers followed by constant customer feedback [7-13].

Research Gap:

The relationship between age, gender and purpose of shopping has not yet been clarified, so it is not obvious which one is dominant in buying behavior. Further among economy, lifestyle, location, and convenience as a reason to shop at Ratnadeep retail outlet, most of the customers opted for convenience indicating comfort-loving customer behavior precluding another research.

Objectives of the Study:

1. To apprehend customer preferences and buying behavior in relation to retail business with reference to Ratnadeep retail outlet.
2. To analyze the relationship between the preferences and buying behavior from a psychological perspective of the customer.

Research Methodology:

The research methodology for the present study is based on convenient Random sampling in choosing a sample. The research was conducted on questionnaire method with open ended questions. Populations selected for the study were the customers of Ratnadeep retail outlet in Hyderabad city. Questionnaire forms the primary data collection source and secondary data was collected from the academic text books, e-magazines, websites, journals and other published works relevant to the present study. The collected data was tabulated and represented graphically. The data analysis is done by statistical technique of simple percentages.

Limitations of the Study:

Time constraints did not allow going deep in the research by collecting more samples. The information obtained and the data collected is limited. The study is purely academic. Opinions were partial as few of the respondents were restraining self to answer with pretense. Busy schedule of the respondents interrupted to answer the questionnaire.

Data Analysis and Interpretation of Results:

Analysis and interpretation of data is done by dividing the questionnaire in two sections. The first section is about the personal information of the respondent like, gender, age, occupation, and marital status. The second section is all about the buying preferences of customer while shopping the Ratnadeep retail store. Section one have a crucial impact on section two especially at retail outlets.

Interpretation:

The above chart shows that 50% of the respondents are between age group of 10 years to 20 years making it maximum of the customers visiting the retail store. Age group 50 and above are the least with just 2.9% and an average of 30.4% between ages 20 to 30 years. As the age groups increasing in numbers the customers visiting is falling vis-à-vis 30-40 and 40-50 to 11.8% and 5.9% respectively.

Table 1: Preferred Retail type for shopping.

S. No	Retail type	Response (In percentage)
1	Malls	27.1
2	Convenience store	16.8
3	Super market	26.2
4	Wholesale market	29.9

Source: questionnaire

Interpretation:

The above table shows that 27.1% of the respondents prefer visiting malls, the least of 16.8% prefer buying from the nearby convenience store. 26.2% prefers super market and maximum of the respondents prefer wholesale market.

Table 2: Awareness mode.

S. No	Mode	Response (In percentage)
1	Hoarding	21.5
2	Leaflets	15
3	Word of mouth	41.1
4	Newspaper	22.4

Source: questionnaire

Interpretation:

The above table shows 41.1% of the respondents know about the retail store through word of mouth and least of 15% by way of leaflets. Hoarding and newspaper media methods share almost the same of 21.1% and 22.4% respectively.

Table 3: Personal reason to shop.

S. No	Reason	Response (In percentage)
1	Economy	15
2	Lifestyle	22.4
3	Location	30.8
4	Convenience	31.8

Source: questionnaire

Interpretation:

The above table shows 15% of the respondents prefer the retail outlet on economical reasoning and maximum of 31.8% consider convenience as their reason. Location and lifestyle contributes to 30.8% and 22.4% respectively.

Table 4: Purpose to visit Ratnadeep retail outlet.

S. No	Purpose	Response (In percentage)
1	Shopping	38.3
2	Entertainment	4.7
3	Shopping and Entertainment	24.3
4	Accessibility	32.7

Source: questionnaire

Interpretation:

The above table shows a maximum of respondents comprising of 38.3% visit the store for shopping and 32.7% visit as it's accessible. A small portion of 4.7% visit for entertainment, probably to find something new or explore the store and 24.3% visit the store with purpose of both shopping and entertainment.

Table 5: Frequency of visiting Ratnadeep store.

S. No	Frequency	Response (In percentage)
1	Daily	2.8
2	Weekly	19.6
3	Fortnightly	11.2
4	Monthly	41.1
5	Once in six months	25.2

Source: questionnaire

Interpretation:

The above table shows 2.8% of respondents visit daily, 19.6% visits weekly, 11.2% visits fortnightly, 41.1% visits monthly and 25.2% visits once in six months. These variations are because the store is conveniently located and easy to access.

Table 6: Personal reason to shop.

S. No	Preferred day	Response (In percentage)
1	Any day	43
2	Weekend	28
3	Wednesday	29

Source: questionnaire

Interpretation:

The above table shows 43% visits any day of the week, 28% visits on weekends and 29% visits on Wednesdays as the store offers special discounts on every Wednesday. Convenience and easy access of the store makes it to be approached more on any day of the week rather on specific days.

Table 7: Preferred time to shop.

S. No	Time	Response (In percentage)
1	Morning	2.8
2	Afternoon	11.2
3	Evening	43.9
4	Any time	42.1

Source: questionnaire

Interpretation:

The above table shows 2.8% visit the store in the mornings, 11.2% visit during afternoon, 43.9% visit during evenings and 42.1% visits any time as the need arises. From these figures it can be analyzed that store satisfies the needs of the customer and customer is willing to visit as the need arises.

Table 8: Time spent at the store.

S. No	Time Spent	Response (In Percentage)
1	Less than an hour	37.4
2	Between 1-2 hours	47.7
3	Between 2-3 hours	15

Source: questionnaire

Interpretation:

The above table shows 37.4% of the respondents finishes shopping in an hour where as 47.7% takes one to two hours to shop at the store and only 15% takes two to three hours. This reveals the ease to shop and availability of products at the store.

Table 9: Average monthly purchase from the store.

S. No	Amount (In Rupees)	Response (In percentage)
1	Below 1000	29
2	Between 1000-2000	26.2
3	Between 2000-3000	30.8
4	3000 and above	14

Source: questionnaire

Interpretation:

The above table shows 29% of the respondents spend less than 1000 rupees, 26.2% spends between 1000 to 2000 rupees, 30.8% spends between 200 to 3000 rupees and only 14% spends more than 3000 rupees on an average over a month.

Table 10: Shopping companion.

S. No	Shopping Companion	Response (In percentage)
1	Family	65.4
2	Friends	15.9
3	Colleagues	2.8
4	Alone	15.9

Source: questionnaire

Interpretation:

The above table shows 65.4% visit the store with their family and least of 2.8% visit with their colleagues. Respondents who visit with friends or all alone are 15.9%.

Table 11: Reason for preferring Ratnadeep over others.

S. No	Reason	Response (In percentage)
1	Pocket friendly	23.5
2	Availability of variety	50.5
3	Fresh and quality products	22.4
4	Member advantage	3.7

Source: questionnaire

Interpretation:

The above table shows 50.5% prefer Ratnadeep over other super markets for the reason of availability of variety, 23.5% and 22.4% prefer on the grounds on pocket friendly and fresh & quality products respectively and only 3.7% prefer to avail membership advantages. This is where the store is having a chance to research more and come up with ideas to attract customer on being a member.

CONCLUSION:

The retail industry in the Hyderabad is growing in manifolds. Businessmen are trying every possible marketing tool and idea to predict the consumer behavior. In the Retail business realm it is used to predict an accurate consumer behavior or retail trend with added advantages. The challenge is to gather voluminous previous data and extract unidentified and novel

behavior from the data. This research has traditional limitations associated with survey research such as selection errors, measurement errors and interviewers effect. It can be concluded that the millennial are habituated to the use of this retail format more frequently and customer psychology plays a pivotal role on the preferences and buying behavior. Increasing traffic and traffic jams as a regular feature in city made daily lives tumultuous. Ease of finding everything under one roof and home delivery facility for the customers the latest technique being used by Ratnadeep outlets brought a relief and benefitted customers in their mediocre. Customer today prefers more comfort either shopping inside the retail outlet or ordering over call or online. As observed from the results of the study maximum customers are females. This aspect can further be developed as a tool where in the women can either be a home maker or working women or a student, all can be attracted on the common platform of ease, comfort and variety. Further research can be undertaken on similar kind of other different retail formats where data mining is used extensively to extend the life span of the business. Data mining involves discovering new patterns from the existing data by using statistical tools, machine learning and database systems.

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