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A Study on Consumer Buying Behavior towards Organized Retail Outlets in Hyderabad

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Abstract
The retailing environment has visualized a tremendous growth in the size and the market dominance of larger players, with greater store size, increased retail concentration and the utilization of a range of formats. This growth has intensified the level of competition in retail business, stimulating the retailers to reposition and diversify their retail formats and innovate in their distribution systems. The maturity of core markets, the erosion of traditional shopping patterns through urbanization and the social and the demographic changes of developed markets have stimulated several major players to focus more on establishing themselves in the developing markets. The main objective of the study is to understand consumer behavior towards organized retail outlets and to find out the consumers satisfaction level from organized retail stores. This study seeks to identify the factors that influence on consumer buying behavior with special reference to organized retail outlets in Hyderabad.

Key wards: ***organized retail outlets, consumer behavior and satisfaction.***

Introduction
The Indian Retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organised retailing. A T Kearney, a US Based global management consulting firm has ranked India as the fourth most attractive nation for retail investment among 30 flourishing markets. The retail market is expected to reach a whooping Rs. 47 lakh crore by 2016-17, as it expands at a compounded annual growth rate of 15 per cent, accordingy to the 'Yes Bank - Assocham' study. The retail market, (including organised and unorganised retail), was at Rs. 23 lakh crore in 2011-12. According to the study, organised retail, that comprised just seven per cent of the overall retail market in 2011-12, is expected to grow at a CAGR of 24 per cent and attain 10.2 per cent share of the total retail sector by 2016-17. In terms of sheer space, the organised retail supply in 2013 was about 4.7 million square feet (sq ft). This showed a 78 per cent increase over the total mall supply of just 2.5 million sq ft in 2012. "Favourable demographics, increasing urbanisation, nuclearisation of families, rising affluence amid consumers, growing preference for branded products and higher aspirations are other factors which will drive retail consumption in India," said DS Rawat, Assocham Secretary General.

Retailing in India is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP. The Indian retail market is estimated to be US$ 500 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people. As of 2013, India's retailing industry was essentially owner manned small shops. In 2010, larger format convenience stores and supermarkets accounted for about 4 percent of the industry, and these were present only in large urban centers. India's retail and logistics industry employs about 40 million Indians (3.3% of Indian population).

Until 2011, Indian central government denied foreign direct investment (FDI) in multi-brand retail, forbidding foreign groups from any ownership in

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supermarkets, convenience stores or any retail outlets. Even single-brand retail was limited to 51% ownership and a bureaucratic process. In November 2011, India's central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Walmart, Carrefour and Tesco, as well single brand majors such as IKEA, Nike, and Apple. The announcement sparked intense activism, both in opposition and in support of the reforms. In December 2011, under pressure from the opposition, Indian government placed the retail reforms on hold till it reaches a consensus.

In January 2012, India approved reforms for single-brand stores welcoming anyone in the world to innovate in Indian retail market with 100% ownership, but imposed the requirement that the single brand retailer source 30 percent of its goods from India. Indian government continues the hold on retail reforms for multi-brand stores. In June 2012, IKEA announced it had applied for permission to invest $1.9 billion in India and set up 25 retail stores. An analyst from Fitch Group stated that the 30 percent requirement was likely to significantly delay if not prevent most single brand majors from Europe, USA and Japan from opening stores and creating associated jobs in India. On 14 September 2012, the government of India announced the opening of FDI in multi- brand retail, subject to approvals by individual states. This decision was welcomed by economists and the markets, but caused protests and an upheaval in India's central government's political coalition structure. On 20 September 2012, the Government of India formally notified the FDI reforms for single and multi brand retail, thereby making it effective under Indian law. On 7 December 2012, the Federal Government of India allowed 51% FDI in multi-brand retail in India. The government managed to get the approval of multi-brand retail in the parliament despite heavy uproar from the opposition. Some states will allow foreign supermarkets like Walmart, Tesco and Carrefour to open while other states will not.

According to panel members at the seventh Food and Grocery Forum India, the opportunities in food and grocery retail in India are immense, given that it constitutes about 69 per cent of India's total retail market. The Indian retail market, currently estimated at $490 billion, is project to grow at a compounded annual growth rate of 6 per cent to reach $865 billion by 2023. Modern retail with a penetration of only 5% is expected to grow about six times from the current 27 billion USD to 220 billion USD, across all categories and segments.

Organised Retail is emerging as the new phenomenon in India and despite the slump, the market is growing exponentially. As economic growth brings more of India's people into the consuming classes and organized retail lures more and more existing shoppers, by 2015, more than 300 million shoppers are likely to patronize organized retail chains. Consumer markets in emerging market economies like India are growing rapidly owing to robust economic growth. India's modern consumption level is set to double within five years to US$ 1.5 trillion from the present level of US$ 750 billion.

The growing middle class is an important factor contributing to the growth of retail in India. By 2030, it is estimated that 91 million households will be 'middle class', up from 21 million today. Also by 2030, 570 million people are expected to live in cities, nearly twice the population of the United States today. Thus, with tremendous potential and huge population, India is set for high growth in consumer expenditure. With India's large 'young' population and high domestic consumption, the macro trends for the sector look favorable.

Review of literature

Michael Levy and Barton Weitz in the book Retailing Management'have tried to know how retailing has become an important economic activity. The book titled Retailing Management'is definitely a different form of commentary on _Retailing Operations' especially in the modern and the Western

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World. The book discusses different facets of retailing strategies as they are useful for developing the retail markets especially in a growing economy. In this book the authors have tried to find out the reasons of growth of modern retailing, different retail format, and multichannel retailing as a method of operating in a competitive market. From the author‘s point of view there is a great change in the consumer behaviour which is

Barry Burman and Joel Evans has offered a different kind of approach to the present system of retailing. The book Retail Management: A Strategic Approach‘ is basically related with understanding the marketing phenomenon of retailing, the changes brought in due to competition amongst retailers in terms of marketing, distribution, as well as promotional practices. The author has concentrated on understanding and analyzing the detailed market from different dimensions. The concept of SWOT analysis, situation analysis and tactical analysis has been adopted by the authors to understand new trends in retail marketing, its implications on competition as well as economics of retailing, changes in the pricing policy and promotional techniques that are adopted by different organized large scale retailers. The authors have tried to understand retail institutions in terms of ownership, in terms of demand pattern, in terms of strategic mix, in terms of emerging forms. The authors have noticed that the non-traditional retailing especially Web Stores, or Electronic Retail Channels are becoming more profitable and popular because of changing tastes and styles of buyers, because of liking of the new and emerging trend of Electronic medium.

Internet has influenced not only in terms of technology but Internet has become a social medium of communication, which is responsible for development of E-Retailing which has drastically influenced the strategies of retail management. This has changed the perception, competitive strategies, distribution systems and promotional strategies that are adopted by the retailers.

Kaltcheva Velitchka developed the conceptual framework which proposes that the consumer‘s motivational orientation moderates the effect of the arousal produced by a store environment on the pleasantness of the environment. When consumers have a recreational motivational orientation, high arousal has a positive effect on pleasantness, but when consumers have a task-oriented motivational orientation, high arousal decreases pleasantness. In addition, high arousal increases consumer intentions to visit and make purchases in the store for recreationally oriented consumers, but it has a negative impact on shopping behavior for task-oriented consumers. Pleasantness mediates the effect of arousal on shopping behavior.

Raff Horst and Schmitt Nicolas investigated the implications for international markets of the existence of retailers/wholesalers with market power. Two main results were shown. First, in the presence of buyer power, trade liberalization may lead to retail market concentration. Due to this concentration, retail prices may be higher and welfare may be lower in free trade than in autarky, thus reversing the standard effects of trade liberalization. Second, the pro-competitive effects of trade liberalization are weaker under buyer power than under seller power.

Statement of the Problem

The success of any format of retail industry solely depends on how it performs in the market place at a given point of time. The performance in turn depends on how efficiently the industries persuade the consumers in to its basket which requires the retail stores to understand the behaviour of the consumers. But, understanding the consumer behaviour is complex, as it is related to the psychology of consumers and also depends on various social factors which have a direct impact on consumer behaviour. This in turn, led the retailers to redraft their existing marketing strategies and introduce appropriate changes to establish and sustain themselves in the industry. Thus, the consumers’ buying behaviour becomes an integral part of the marketing strategies of the

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organized retail stores. In this context, it is imperative to study the consumers' buying behaviour towards organized retail stores and the present research work has tremendous relevance to the retailers in formulating their marketing strategies.

Objectives of the Study

The following are the objectives framed for the study.

1. To study the demographic characteristics of the consumers of organized retail stores in Hyderabad.
2. To determine the buying behavior of the consumers at organized retail stores.
3. To explore the level of satisfaction of the consumers.

Hypothesis of the Study

H0: There is no significant relationship between the demographical factors of the consumer towards the organized retail stores.

Research Methodology

The validity of any research depends on the systematic method of collecting data and analyzing the same in a logical and sequential order. In the present study, an extensive use of both primary and secondary data has been made.

Sampling design and technique

The Universe in the present study comprises of the consumers who purchase at the organised retail stores in Hyderabad. The size of the sample was 100 respondents. These samples were carefully selected by the researcher from those who purchase from organized retail stores in all locations of the study area. Both primary and secondary data were used in the study for analysis. For collecting primary data, the field survey technique was employed. A well framed questionnaire was also used to collect the primary data. The twin cities have been selected based on the convenience sampling for collecting the data. First hand information pertaining to the consumers' buying behavior and their preference for shopping in different organized retail stores were collected from respondents.

Frame work of analysis

By virtue of the mass of data obtained from research survey, as well as from data of the secondary sources collected and presented in the report, a descriptive and an analytical research is considered most appropriate for the study. The researcher used closed-ended and open-ended questions in the questionnaire to collect the primary data.

Primary data

In order to fulfill the objectives set, the primary data was collected in the form of responses from consumers of organized retail stores in Hyderabad. The consumers are the respondents who provide information regarding their understanding, experiences, opinion, and perception towards the marketing practices adopted by organized retail stores. The study was undertaken by using a well framed questionnaire that was duly filled by the respondents.

The respondents were selected with varying background based on the aspects like their age, gender, educational qualification, occupation, monthly income level, marital status, type of family, family size and so forth, in the areas of twin cities. A noteworthy feature was that the respondents filled the questionnaire with much zeal. This was due to the high level of literacy among the respondents and the researcher's rapport established with them.

Secondary data

Be it any research, a researcher must be aware of the value of secondary data. The secondary data provided the researcher with information regarding the activities, the scope and the opinions of other researchers and experts in the initial stages. The data further guided the researcher in defining the variables of the study and also identifying the classes of the stakeholders involved. The secondary data provides useful and necessary information supplementing the qualitative aspects of research findings.

For this purpose, the secondary data was collected from all associated sources that include books on

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marketing, retailing and consumer behaviour, research journals, magazines and periodicals, internet web sources and libraries of reputed universities, institutes in and around Telangana State.

Statistical tools used for analysis

The difference in the extent of utilizing the retail stores among the different types of consumers based on their age, gender, educational qualification, occupation, monthly income level, marital status, type of family, family size, awareness, period of visiting the retail store, frequency of visit, purchase range and mode of payment is studied by means of Percentages, Averages, Two-way tables and Chi-Square test.

Scope of the Study

The purpose of this study is to analyse the consumers' buying behaviour which includes a thorough analysis of buying intention, buying habits, buying attitudes and post purchase behaviour of consumers in organized retail stores. Among the various aspects that build the rapport with the buyers and keep them in their fold, the buying behaviour is much more important than the technical or product quality.

Hence, the outcome of the present study will be of immense help to the organized retailers in bringing out the various aspects concerned with the consumers' buying behaviour which would definitely facilitate them to work out appropriate marketing strategies and promote their business.

Limitations of the Study

1. As the geographical area of the study is limited to Hyderabad alone, the findings of the study may not reflect the entire Indian scenario.
2. The elicited opinion of consumers may not be good all times, because of individual differences due to age, gender, attitude, income, profession, etc.
3. The findings of the study may not be applicable to the universe, as only 100 samples from consumers were taken under convenience sampling.

Data Analysis and Interpretation

The data collected is tabulated in Table-1 on demographic characteristics of the respondents

Table-1 Demographic Variables

	No. of Respondents	%
Gender		
Male	39	39.00
Female	61	61.00
Age		
20 years and below	06	06.00
21 to 30 years	22	22.00
31 to 40 years	32	32.00
41 to 50 years	26	26.00
Above 50 years	14	14.00
Marital Status		
Married	77	77.00
Unmarried	23	23.00
Education		
Illiterates	02	02.00
School level	20	20.00
Inter/Diploma/ITI	25	25.00
Graduate	32	32.00
Post Graduate	21	21.00
Occupation		
Unemployed	08	08.00
Agriculturalist	02	02.00
Self Employed	22	22.00
Pvt. Employee	54	54.00
Govt. Employee	14	14.00
Family Size		
Up to 3 members	22	22.00
4 to 5 members	62	62.00
Above 5 members	16	16.00
Type of family		
Nuclear	71	71.00
Joint family	29	29.00

Source: Primary Data

Interpretation:

From the above table, it is clear that 39% of the respondents are male and 71% of the respondents are female. After dividing the respondents on the basis of gender, they are further divided according to their age. In this, it is found that out of total respondents 6% are 20 years old and below, 22% age between 21 to 30 years, 32% belongs to the age group of 31 to 40 years, 26% are 41 to 50 years and 14% are Above 50 years. 2 % of respondents are Illiterates, 20% respondents are School level, 25% of respondents are Inter/Diploma/ITI, 32% of respondents are Graduates

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and 21% of respondents are post graduates respectively. 8% of respondents are Unemployed, 2% of respondents are Agriculturalists, 22% of respondents are self employed, 54% of respondents are private employees and 14% of respondents are Government employees. Majority of the respondents (62%) have their family size is 4 to 5 members and 71% of respondents' have nuclear family.

Table-2 Type of store visited by the consumers and their level of satisfaction

SL. No	Type of Store	No. of Consumers	%
1.	Departmental Store	59	59.00
2.	Super Market	24	24.93
3.	Hyper Market	17	17.07
		100	100.00

Source: Primary Data

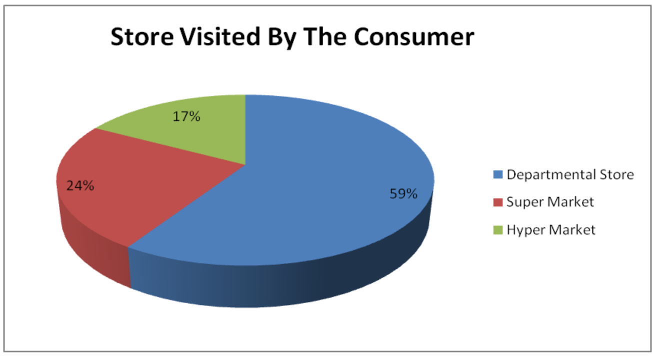
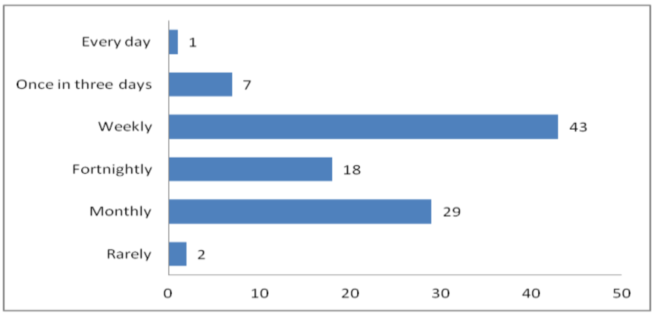


Table-3 Type of store visited by the consumers and their level of satisfaction

SL. No	Frequency of visit	No. of Consumers	%
1.	Rarely	02	02.00
2.	Monthly	29	29.00
3.	Fortnightly	18	18.00
4.	Weekly	43	43.00
5.	Once in three days	07	07.00
6.	Every day	01	01.00
		100	100.00

Source: Primary Data



The following null hypothesis is framed and tested by Chi-square analysis to encounter the relationship between the Gender, Age, Marital Status, Education, Occupation, Family Size and Type of Family of the consumers and their level of satisfaction towards the organized retail stores. The result obtained is manifested

H0: There is no significant relationship between the demographical factors of the consumer towards the organized retail stores.

Demographical Factors and level of satisfaction of the consumers (Chi- square test)

Factor	Calculated Value	Table Value	DF	Remarks
Gender	19.580	5.99	2	Highly Significant
Age	39.75	15.51	8	Highly Significant
Marital Status	2.741	5.991	2	Not Significant
Education	53.215	15.51	8	Highly Significant
Occupation	79.153	15.51	8	Highly Significant
Family Size	21.367	9.49	4	Highly Significant
Type of Family	22.671	5.99	2	Highly Significant

Gender: The calculated chi-square value is greater than the table value and the result is significant at 5% level, the hypothesis "gender of the consumers and their level of satisfaction towards the organised retail stores are not associated" does not hold good. Thus there is a close relationship between the gender of the consumers and their satisfaction level towards the organised retail stores.

Age: There is a close relationship between the age of the consumers and their level of satisfaction towards the organised retail stores as the calculated chi-square value is greater than the table value and the result is significant at 5% level. Hence, the hypothesis "age of the consumers and their level of satisfaction towards the organised retail stores are not associated" does not hold well.

Marital Status: The hypothesis "marital status of the consumer and their satisfaction level towards the organised retail stores are not associated" holds good as Table records that the calculated chi-square value is less than the table value and the result is not

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significant. Hence, there is no close relationship between the marital status of the consumers and their satisfaction level towards the organised retail stores.

Education: the calculated chi-square value is greater than the table value and the result is significant at 5% level. Hence, the hypothesis "educational qualification of the consumers and their satisfaction level towards the organised retail stores are not associated" does not hold good. Thus there is a close relationship between the educational qualification of the consumers and their satisfaction level towards the organised retail stores.

Occupation: that there is a close relationship between the occupational status of the consumers and their satisfaction level towards the organised retail stores because the calculated chi-square value is greater than the table value and the result is significant at 5% level and also the hypothesis "occupational status of the consumer and their satisfaction level towards the organised retail stores are not associated" does not hold good.

Family Size: the calculated chi-square value is greater than the table value and the result is significant at 5% level. Hence, the hypothesis "family size of the consumers and their satisfaction level towards the organised retail stores are not associated" does not hold good. Thus it is clear that there is a close relationship between the family size of the consumers and their satisfaction level towards the organised retail stores.

Type of Family: As the calculated chi-square value is greater than the table value and the result is significant at 5% level, the hypothesis "type of family of the consumer and their satisfaction level towards the organised retail stores are not associated" does not hold good. Thereby, it is understandable that there is a close relationship between the type of family of the consumers and their satisfaction level towards the organized retail stores.

Findings and Conclusion

The various factors that influence the consumers towards the services offered at the organized retails stores in Hyderabad were identified and analyzed. To collect first hand information from 100 sample consumers the field survey method was employed. The data thus collected are arranged into a simple tabular form. The level of satisfaction perceived by the selected sample consumers in utilizing the services offered at the organized retail stores is considered as a dependent variable. The independent variables selected for the study are consumers' age, gender, marital status, educational status, occupation, family size, and type of family. In this study it is found that organized retail outlets provide better quality of service. Most of the customers are satisfied with the quality of service provided by the organized retail outlets. They are satisfied with self service, product price, visual merchandising, home delivery and fast checkout. By using Chi-Square test it is made clear that there is relationship between satisfaction level towards demographical variables. Most of the customers are youngsters and employed, they feel more comfortable with card payment than cash, and these stores are expected to make this facility available to all the customers.

Conclusion

The root of the study is that most of the customers prefer purchasing from organized retail outlets. Also, most of them are satisfied with the quality of service, price and product range of the goods provided by organized retail outlets. Satisfaction of consumers in retail service is an important criterion for a marketer to understand for further strategic decision. This study also reveals that the customers prefer organized retailing over unorganized retailing, due to which the organized retailing become a threat to the unorganized outlets.

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