

“Changing Behaviour of Consumers Towards Organised Retail in the Era of Online Shopping”

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I. INTRODUCTION

Consumer Behavior refers to the behavior that consumers display in searching, purchasing and disposing of products and services. It includes “What they buy”, “Why they buy”, “When they buy it”, “Where they buy it”, “how often they buy it” and “how often they use.

Consumer Behavior (or Buyer Behavior) is broadly defined by various scholars & researchers as:

1. It's the behavior displayed by the consumers during the acquisition, consumption and disposition of products, services, time and ideas by decision making units.
2. It is the body of knowledge which studies various aspects of purchase and consumption of products and services by individuals with various social and psychological variables at play.
3. The behavior that the consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs.
4. The process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires.
5. The activities directly involved in obtaining, consuming, and disposing of products and services, including the decision processes that precede and follow these actions.
6. The American Marketing Association (AMA) defines consumer behavior as “The dynamic interaction of cognition, behavior & environmental events by which human beings conduct the exchange aspect of their lives.

II. FACTORS INFLUENCING CONSUMER BEHAVIOR

Cultural Factors: Culture Plays an important role in purchase of a product whether through online purchase or through organised retail formats like departmental stores or hypermalls.

Social Factors: Reference groups or persons directly associated with the consumers affect their purchase.

Personal Factors: A consumer decision also influenced by personal characteristics like age, occupation, economic status and personality.

Psychological Factors: These factors also plays a vital role in the decision making of the consumer regarding purchase of the product.

2.1. Organised Retailing in India

Retailing in India is one of the pillars of its economy and accounts for about 10 percent of its GDP.^{[1][2]} The Indian retail market is estimated to be US\$ 600 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.^{[3][4]}

As of 2003, 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).^[5]

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.^[6]

A 2012 PWC report states that modern retailing has a 5% market share in India with about \$27 billion in sales, and is growing at 15 to 20% per year.^[7] There are many modern retail format and mall companies in India. Some examples are in the following table.

Indian Retail Group	Market Reach in 2011 and Notes ^[7]
Pantaloon Retail	65 stores and 21 factory outlets in 35 cities, 2 million square feet space
Shoppers Stop	51 stores in 23 cities, 3.2 million square feet space
Spencers Retail	200 stores in 45 cities, 1 million square feet space
Reliance Retail	708 mart and supermarkets, 20 wholesale stores in 15 cities, 508 fashion and lifestyle. □ 1,206 crore (US\$190million) per month sales in 2013 ^[8]
Bharti Retail	74 Easyday stores, plans to add 10 million square feet by 2017
Birla More	575 stores nationwide
Tata Trent	59 Westside mall stores, 13 hypermarkets
Lifestyle Retail	15 lifestyle stores, 8 home centers
Future Group	193 stores in 3 cities, ^[9] one of three largest supermarkets retailer in India by sales. □ 916 crore (US\$140million) per month sales in 2013 ^[8]

2.2. Current supermarkets

Existing Indian retail firms such as Big Bazaar, Easy Day, Spencer's, Vishal Megamart, etc. support retail reform and consider international competition as a blessing in disguise. They expect a flurry of joint ventures with global majors for expansion capital and opportunity to gain expertise in supply chain management. Spencer's Retail with 200 stores in India, and with retail of fresh vegetables and fruits accounting for 55 per cent of its business claims retail reform to be a win-win situation, as they already procure the farm products directly from the growers the involvement of middlemen or traders. Spencer's claims that there is scope for it to expand its footprint in terms of store location as well as procuring farm products. Foodworld, which operates over 60 stores, plans to ramp up its presence to more than 200 locations. It has already tied up with Hong Kong-based

Dairy Farm International. With the relaxation in international investments in Indian retail, India's Foodworld expects its global relationship will only get stronger. Competition and investment in retail will provide more benefits to consumers through lower prices, wider availability and significant improvement in supply chain logistics.^[10]

2.3. Online Shopping

Online shopping allows consumers to buy goods or services from a seller over the Internet. Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers. As of 2016, customers can shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers and smartphones.

Online stores typically enable shoppers to use "search" features to find specific models, brands or items. Online customers must have access to the Internet and a valid method of payment in order to complete a transaction, such as a credit card, an Interac-enabled debit card, or a service such as PayPal. For physical products (e.g., paperback books or clothes), the e-tailer ships the products to the customer; for digital products, such as digital audio files of songs or software, the e-tailer typically sends the file to the customer over the Internet. The largest of these online retailing corporations are Alibaba, Amazon.com, and eBay.^[11]

2.4. Customer buying behaviour in digital environment

The marketing around the digital environment, customer's buying behaviour may not be influenced and controlled by the brand and firm, when they make a buying decision that might concern the interactions with search engine, recommendations, online reviews and other information. With the quickly separate of the digital devices environment, people are more likely to use their mobile phones, computers, tablets and other digital devices to gather information. In other words, the digital environment has a growing effect on consumer's mind and buying behaviour. In an online shopping environment, interactive decision may have an influence on aid customer decision making. Each customer is becoming more interactive, and though online reviews customers can influence other potential buyers' behaviors.^[12]

Subsequently, risk and trust would also be two important factors affecting people's behavior in digital environments. Customer consider to switch between e-channels, because they are mainly influence by the comparison with offline shopping, involving growth of security, financial and performance-risks In other words, a customer shopping online that they may receive more risk than people shopping in stores. There are three factors may influence people to do the buying decision, firstly, people cannot examine whether the product satisfy their needs and wants before they receive it. Secondly, customer may concern at after-sale services. Finally, customer may afraid that they cannot fully understand the language used in e-sales. Based on those factors customer perceive risk may as a significantly reason influence the online purchasing behaviour.^[13]

Online retailers has place much emphasis on customer trust aspect, trust is another way driving customer's behaviour in digital environment, which can depend on customer's attitude and expectation. Indeed, the company's products design or ideas can not met customer's expectations. Customer's purchase intension based on rational expectations, and additionally impacts on emotional trust. Moreover, those expectations can be also establish on the product information and revision from others.^[14]

III. RESEARCH DESIGN AND METHODOLOGY

Research Problem

The study is titled as “Changing Consumer Behaviour Towards Organised Retail in the Era of Online Shopping” as due to increasing number of nuclear families and husband-spouse working, people are purchasing online, even for their daily needs and hence the importance of retailing through organised formats may decrease. The study thus focused on identifying the importance of organised formats still in the online age.

Research Gap

There are several studies on organised retail and associated consumers behaviour with behaviour of consumers purchasing online, still the researcher felt the need of studying the “Changing Consumer Behaviour Towards Organised Retail in the Era of Online Shopping”. There are hardly few studies focusing the respective area.

Need for the Study

World is talking about online nowadays and people due to their busy schedule going online for all their needs. In the era of online shopping today, where consumers are purchasing maximum products of need online through various web portals offering the products and services, the researcher still liked to find the importance of organised retail formats offering all the products under one roof investing heavy finances.

Objectives of the Study

- To study and analyze the behavior of consumers towards online shopping v/s organised retail formats.
- To find out the factors which still influence the consumption of the products through organised retail formats.

IV. RESEARCH METHODOLOGY

The present study is descriptive and exploratory in nature. Exploratory research is to formulate the problem for more precise investigation or of developing the working hypothesis forms an operational point of view. Diagnostic Research studies determine the frequency with something occurs or its association with something else. In this project, information pertaining to customer needs satisfaction and their demographic profile was collected; hence it is a descriptive research.

V. DATA COLLECTION

The primary data research through survey technique is used in the present study. Secondary data collection technique is also used through printed materials in magazines, journals, websites, reports, etc.

VI. SAMPLE SIZE

143 respondents are selected for the purpose of the study.

VII. SAMPLING TECHNIQUE

Random and Convenience.

IX. RESEARCH INSTRUMENT

Questionnaire.

X. SCOPE OF THE STUDY

The scope of the study is to identify the changing consumer behavior towards organised retail in the era of online shopping. It is aimed at enlightening the company about different steps to be taken up to increase the share of organised retail in the current scenario of online shopping.

XI. LIMITATIONS

- Time has been a major constraint throughout the study.
- Study is restricted to Jaipur only.
- Enough care is taken in formulating the questionnaire; still some errors may creep in.
- The consumer behavior varies in different situations and conditions.

X. DATA ANALYSIS

The researcher collected the data and tabulated & classified it for the purpose of easy interpretation and findings.

Demographic Profile of the Consumers:

Demography	Type of respondents	Frequency
Age	18-25	30
	25-40	66
	40 and above	47
	Total	143
Occupation	Govt. employed	32
	Private Employee	58
	Professional	17
	Self employed	15
	Student	21
	Total	143
Gender	Male	51
	Female	92
	Total	143
Education	Bachelor degree	54
	Post graduate	72
	Others	17
	Total	143
Income	less than 5000	8
	5000-10000	21
	10000-20000	38
	20000 and above	76
	Total	143

Classification of data demographically makes it easier for the marketers to draft their strategies and policies for the growth and development of the market and hence to increase the profitability.

Responses Received:

The study identified nine important factors to discuss for the purpose of analyzing the changing behaviour of consumers towards organised retail in the era of online shopping.

The factors identified are taken with the help of expert opinion from the relevant field and are as follows:

- ✓ Satisfaction level
- ✓ Customer Relationship Management
- ✓ Promotional Offers
- ✓ Loyalty Rewards

The above four factors are measured on the three point scale, i.e. High, Moderate and Low.

- ✓ Quality of Products
- ✓ After Sale Service

The above three factors are measured on the three point scale, i.e. Good, Satisfactory and Poor.

- ✓ Secure Payments
- ✓ Affordable Pricing
- ✓ Purchase of Products

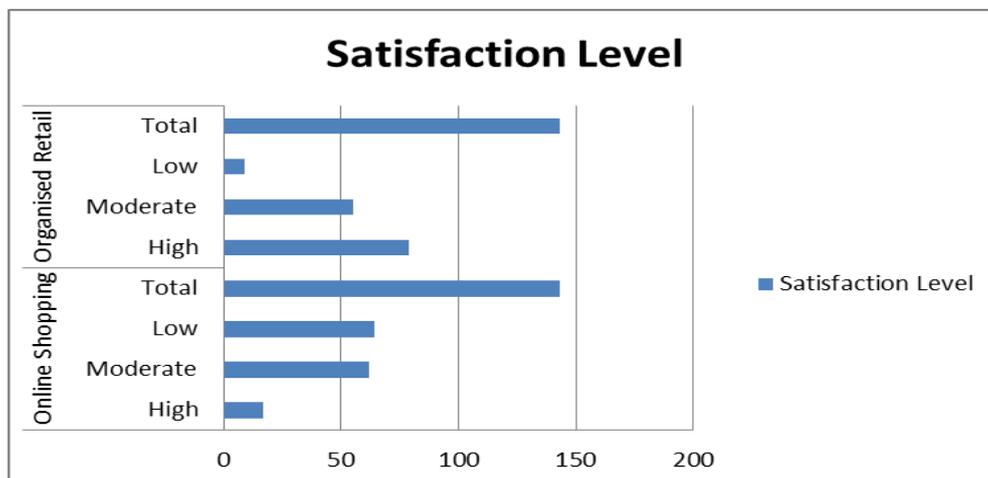
The above three factors are measured on the dichotomous scale, i.e. Yes and No.

Table 1

Particulars	Online Shopping				Organised Retail			
	High	Moderate	Low	Total	High	Moderate	Low	Total
Satisfaction Level	17	62	64	143	79	55	9	143
CRM	0	54	89	143	23	67	53	143
Promotional Offers	21	79	43	143	42	68	33	143
Loyalty Rewards	11	42	90	143	47	38	58	143

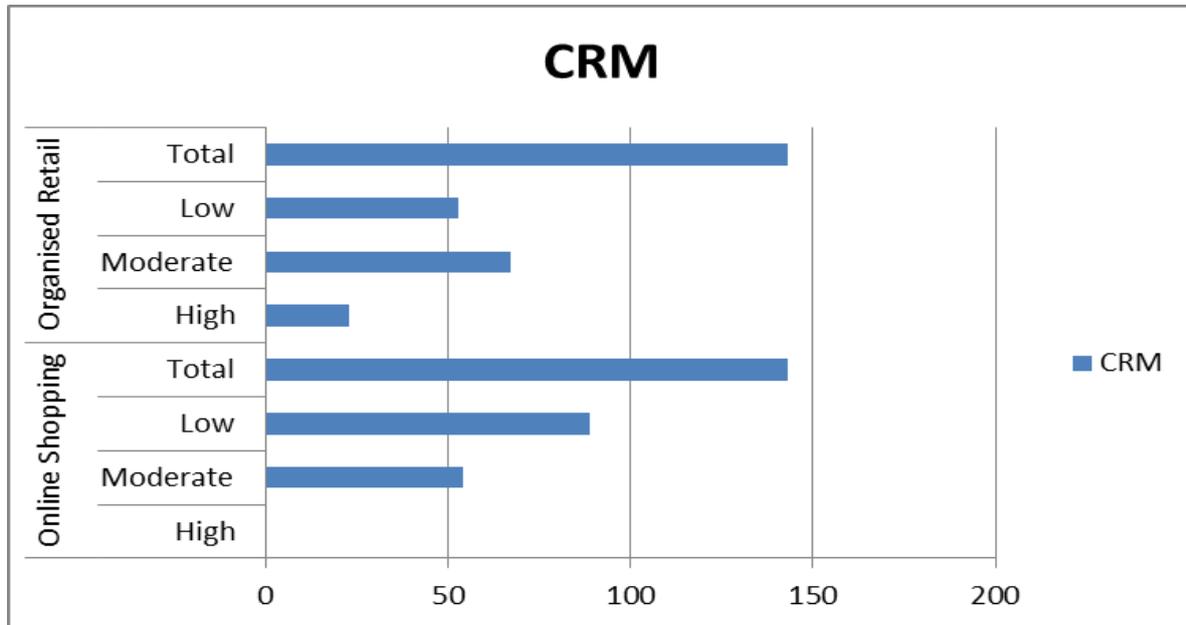
Source: Self Made through data collected.

Satisfaction Level



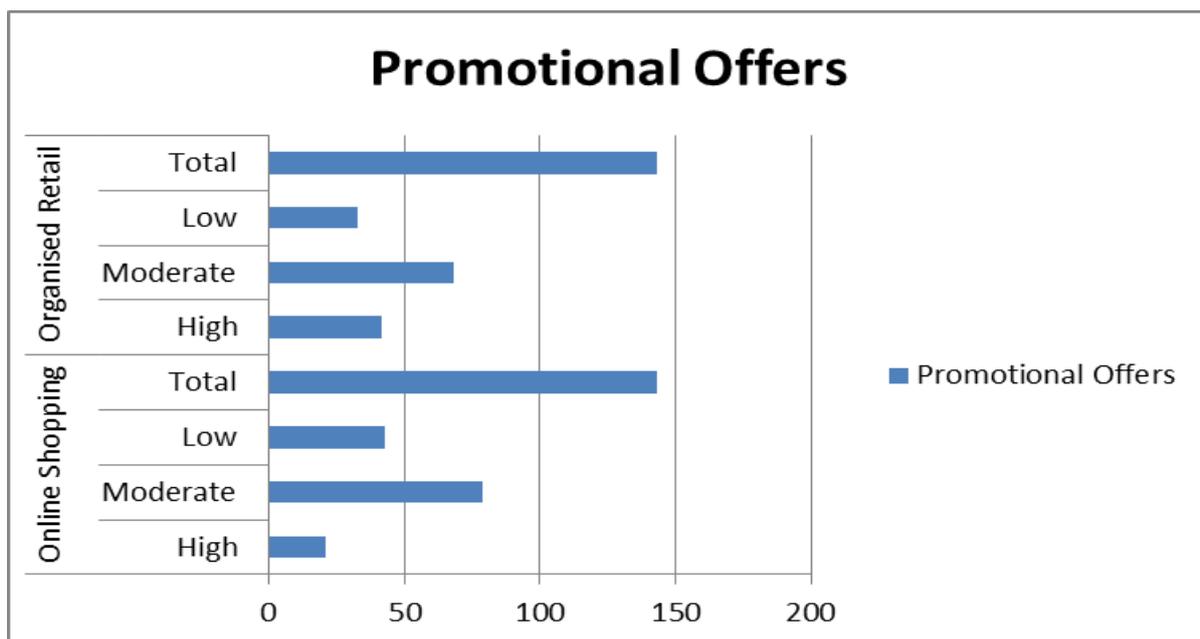
It is observed that Satisfaction level is comparatively low in online shopping in comparison to organised retail which states that still in the era of online shopping marketers need to cater and fulfill the demands of the customers in full and focus on high promising areas. Further people commented that online shopping is still not trustworthy as we cannot see, touch and feel the original product before purchase which stimulates maximum purchase otherwise.

Customer Relationship Management



Customer Relationship Management is high in organised retail as consumer can visit the store for personal interaction and have in house personal experience in attending queries and finding solution to various problems ascertained.

Promotional Offers



It is observed that there is not much difference in promotional offers offered by both the formats of sale but in this arena also organised retail is slightly higher than online shopping.

Loyalty Points



Loyalty Reward points are high in organised retail as compared to online shopping. Customers are enjoying equal amount of cashback purchasing through online mode in any of the format of purchase. Other loyalty schemes are also high in organised retail such as gift coupons, cards, etc.

Table 2

Particulars	Online Shopping			Organised Retail		
	Yes	No	Total	Yes	No	Total
Purchase of Products	117	26	143	138	5	143
Secure Payments	91	52	143	143	0	143
Affordable Pricing	63	80	143	92	51	143

Source: Self Made through data collected.

Purchase of Products



It is observed that maximum number of people are purchasing through both the formats and hence organised retail lead the market in comparison to online shopping with regard to monthly purchases of various products and services.

Secure Payments



People commented that in the era of online payments they do not feel completely secure to pay through electronic mode and hence organised retail lead here also as consumers can pay through cash and other safer modes.

Affordable Pricing



Organised retail is offering more affordable pricing and offers with discounts in comparison to online shopping. This organised format is also providing all the respective offers which is offered by online portals.

Table 3

Particulars	Online Shopping				Organised Retail			
	Good	Satisfactory	Poor	Total	Good	Satisfactory	Poor	Total
Quality of Products	33	52	58	143	52	91	0	143
After Sale Service	47	54	42	143	33	82	28	143

Source: Self Made through data collected.

Quality of Products



As consumers cannot see, touch and feel the products before purchase, the quality is not assured in online shopping and is high in organised retail and hence consumers prefer to purchase through organised retail.

After Sale Service



Overall service provided by organised retail is satisfactory in comparison to online shopping.

XI. FINDINGS

The study is focused on finding the changing behaviour of consumers towards organised retail in the era on online shopping. Some of the Major Findings are as follows:

1. Organised Retail still has the good place in the minds of the consumer.
2. Maximum Purchase is still through Organised Retail due to favorable concerns.
3. CRM is high in Organised Retail due to direct interaction and personalized query handling.
4. Satisfaction Level is also high in organised retail due to assured genuine products.
5. Pricing is also affordable in organised retail as many offers can be offered catering to the needs of the consumers.
6. Organised retail is also safe for payments mode in comparison to online shopping.

XII. CONCLUSION

In the era of online shopping and digital platform for all, government is also keen to digitalise the entire economy and promoting online payments, still there is the need to be more focused on the concerned area as consumers do not feel safe working online with their personal information and would like to have more security towards online platform.

Online shopping is also not that trustable as compared to organised retail which still needs to provide comfortable and better experience to the consumers willing to shop online.

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