

Factors Impacting the Consumer Buying Behaviour with respect To Groceries

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Abstract:

There is no consensus on what are the factors that actually influencing people to shop grocery items in stores. This paper aims to explore the factors such as Packaging, Sales Promotional Schemes, Time, Convenience, Price, and Advertisement that influence the consumer intention to purchase grocery. Questionnaires will be the main instrument of the study and they will be distributed to target respondents. Respondents of the study will be selected using convenience sampling. After data collection, Statistical Package for the Social Sciences (SPSS) will be employed for data analysis. Overall, the result of the study is important to retailers to identify the important factors in increasing their customers' intention to purchase grocery online.

Keywords: Purchase decision, grocery stores, Factors

I. INTRODUCTION

Consumer behaviour is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioural responses that precede or follow these activities. Consumer behaviour emerged in the 1940s and 50s as a distinct sub-discipline in the marketing area. Consumer behaviour is an inter-disciplinary social science that blends elements from psychology, sociology, social anthropology, ethnography, marketing and economics, especially behavioural economics. It examines how emotions, attitudes and preferences affect buying behaviour. Characteristics of individual consumers such as demographics, personality lifestyles and behavioural variables such as usage rates, usage occasion, loyalty, brand advocacy, willingness to provide referrals, in an attempt to understand people's wants and consumption are all investigated in formal studies of consumer behaviour. The study of consumer behaviour also investigates the influences, on the consumer, from groups such as family, friends, sports, reference groups, and society in general.

Factors that influence personal buying behaviour:

This paper aims to explore the factors such as Packaging, Sales Promotional Schemes, Time, Convenience, Price and Advertisement that influence the consumer intention to purchase grocery.

Culture is the most fundamental determinant of a person's wants and behaviour. A child growing up in India is exposed to the following values: achievement and success, activity, efficiency and practicality, progress, material comfort, individualism, freedom, external comfort, humanitarianism, youthfulness (Agrawal, 2006). A consumer's behaviour is also influenced by social factors, such as the consumer's reference group, family, and social roles and statuses. A person's behaviour is strongly influenced by many groups. A person's reference group are those groups that have a direct (face to face) or indirect influence on the person's attitudes or behaviour. Members of the buyer's family can exercise a strong influence on the buyer's behaviour. A traditional family in India is different from a western family in that the "empty nest" stage of the family life cycle is not very common. The decision making process for the purchasing of consumer durables is quite elaborate, as many members with their diverse view are involved in it. At the same time, the characteristics of Indian families are changing under the influence of external factors such as liberalization and media explosion. Indian families are presently in a state of flux, shifting from being strictly hierarchical to more egalitarian in character. We can distinguish between two families in the buyer's life. The family of orientation consists of one's parents. From parents a person's acquires an orientation towards religious, politics, and economics and a sense of personal ambitions, self-worth, and love. Even if the buyer no longer interacts very much with his or her parents, the parents influence on the unconscious behaviour of the buyer can be significant. In countries where parents continue to live with their children, their influence can be substantial like India. In case of expensive products and services, husband and wives engage in more joint decision making. The market needs to determine which member normally has the greater influence in the purchase of a particular products or services. Either the husband or the wife, or they have equal influence. The following products and services fall under such: Husband--dominant: life insurance, automobiles, television Wife--dominant: washing machines, carpeting, non-living--room furniture, kitchenware Equal: Living--room furniture, vacation, Housing, outside entertainment.

Adapting to social conditions play the most important role in establishing your brand in the market. (<http://www.consumerpsychologist.com>). This also means that customers are open to new and different products from time to time. It's just that they want the product to be flexible and adaptable to their needs and preferences. People are changing from time to time, so do their tastes and preferences. Identifying those is the first step towards achieving success and the rest depends on the performance of the product.

II. Literature Review:

Consumer-factors Moderating Private Label Brand Success:

This research suggests that while retailers can improve PLB products in the hope of reducing the quality gap with leading national brands, this strategy may be counterproductive. This research examines the category-

level differences of both risk perception and brand loyalty effects on consumer proneness towards buying private label brands (PLBs). There are several implications for retail branding. First, a range of consumer factors such as perceived risk and attitude greatly affect PLB buying (Batra & Sinha, 2000; Dunn et al., 1986; Richardson et al., 1996).

Consumer Buying Behaviour:

Conditions of competition are changing rapidly today and companies that strategize and react to these changes promptly and quickly are the most successful. Due to technological developments, physical differences of products have decreased. Differentiation should be made on the meanings products bear instead of on their physical features. A successful brand differentiation can be possible by building personality. Thanks to brand personality, consumer sees brand as friend since it provides him with emotional benefits.

Private Label Brands in Indian:

Indian retail is ranked 50th in the world, so there is a lot that retailers here can learn from the 49 countries ahead. My advice to them is don't do cheap and nasty private labels. Private labels won't work by just keeping the products cheap. Retailers must look at developing good quality and value-added products.

A Study of Grocery Shopping Behaviour in India:

Experience of retailing across the world has shown that organized retail takes some time to take off, but having reached a critical mass, the share increases exponentially. Considering that retailing is the single largest component of the services sector in terms of contribution to GDP, the growth potential is immense (Guruswamy, et al).

Literally, perceived benefits, price, social influence and economic condition are significantly affecting customer attitude to purchase private label brand. Consumer buying attitude framework helps to create awareness to retailers and hypermarkets on factors that influence consumer to purchase their products.

III. Research Methodology:

Objectives:

- To Study the private label brands.
- To identify the parameters considered by consumers while buying private label brands.
- To identify factors affecting consumer buying behaviour of Private label brands in groceries.

Private-label products or services, also known as "phantom brands", are typically those manufactured or provided by one company for offer under another company's brand. Private-label goods and services are available in a wide range of industries from food to cosmetics to web hosting.

Data regarding Factors of buying behaviour has been collected to analyze the trends of buying behaviour in India as information made publically available by companies. The parameters those are considered for study are classified widely into factors. Descriptive research study has been used. The area covered for conducting the research is Gandhinagar city. 100 samples are collected by using convenience sampling method. Structured questionnaire is used to collect primary data and for secondary data collection magazines, books and websites are used. Form thorough literature review following parameters are identified which are important in developing consumer buying behaviour as far as private label brands of grocery is concerned.

Table 1: List of Parameters

Pack size	Cleanliness
Attractive packaging.	stamp and certificate
Promotional Schemes	Price
Discounts /Free gifts/ loyalty schemes	Food safety
Freshness	Flavour

Formulation of Hypothesis:

H0: There is no significant difference among mean score of various parameters.

H1: There is a significant difference among at least one of the mean scores of various parameters.

IV. Data Analysis:

For analysis of data exploratory data analysis technique is used and to study the most important parameter consumers consider while exhibiting their buying behaviour ANOVA test will be used. For coding and analysis of data SPSS will be used.

Result

Table 2: One way ANOVA

Parameters	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		

1 Pack size	100	4.2500	1.11351	.11135	4.0291	4.4709	1.00	5.00
2 Attractive packaging	100	3.6600	.97670	.09767	3.4662	3.8538	1.00	5.00
3 Promotional Schemes	100	3.6400	1.09655	.10966	3.4224	3.8576	1.00	5.00
4 Discounts /Free gifts/ loyalty	100	3.6900	1.20349	.12035	3.4512	3.9288	1.00	5.00
5 Cleanliness	100	3.6400	.97980	.09798	3.4456	3.8344	2.00	5.00
6 Stamp and certificate	100	3.4600	1.02907	.10291	3.2558	3.6642	1.00	5.00
7 Price	100	3.3300	1.18112	.11811	3.0956	3.5644	1.00	5.00
8 Food safety	100	3.2600	1.15137	.11514	3.0315	3.4885	1.00	5.00
9 Flavour	100	3.8500	.94682	.09468	3.6621	4.0379	1.00	5.00
10 Freshness	100	3.5300	1.05844	.10584	3.3200	3.7400	1.00	5.00
Total	1000	3.6310	1.10456	.03493	3.5625	3.6995	1.00	5.00
Mod	Fixed		1.07708	.03406	3.5642	3.6978		
el	Effects							
	Random			.08840	3.4310	3.8310		
	Effects							

Table 3: significance value

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	70.329	9	7.814	6.736	.000
Within Groups	1148.510	990	1.160		
Total	1218.839	999			

As the significance value is less than 0.05 so, null hypothesis of equal mean gets rejected hence it can be concluded that at least one of the parameters is more important than others. From the table no.2 mentioned above after analysing mean value it can be seen that the highest mean value is 4.25 for pack size followed by 3.85 for Flavour, 3.69 for Discounts /Free gifts/ loyalty schemes, 3.66 for attractive packaging, 3.64 for

cleanliness & Promotional schemes, 3.53 for freshness, 3.46 for stamp and certificate, 3.33 for price, 3.26 for Food Safety. Thus three most important parameters consumers consider during their buying behaviour is pack size, flavour and discounts.

Further the objective of the paper was to identify factors affecting consumer buying behaviour of Private label brands in groceries for which exploratory factor analysis was run on following statements by using SPSS.

Table 4 List of statements

Sr.No.	Statements
1	I plan and allocate time for shopping activities.
2	When hard pressed for time I select the nearest store.
3	I usually purchase grocery products from nearby store.
4	Private Label stores are easily available nearby our residency.
5	I consider price as the most important factor.
6	I buy private label grocery products because they are cheaper options.
7	My decision of purchase is influenced by advertisement.
8	I trust on the message given by the advertisement.

Result

Factor Analysis

Table 5: Rotated Component Matrix

Rotated Component Matrix

Statements	Component		
	Advertisement	Convenience	Price
Q3	.839		
Q7	.576		
Q2	.565		.439
Q4	.518		

Q6		.901	
Q8	.508	.697	
Q1			.932
Q5			.556

After completing the factor analysis it can be concluded that the most important factors that consumers consider during purchasing of private label brands are Advertisement, Convenience and price.

Conclusion:

As per factor analysis, it can be concluded that there are 3 main factors which are impacting consumer buying behaviour of private label brands. These factors are Advertisement, Convenience, and Price: These factors are most impacting on consumer buying behaviour. The most important parameter considered the most by consumers while buying private label brand is pack size followed by flavour and discount as second and third important parameters respectively.

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