



“TO STUDY THE FACTORS AFFECTING ON CONSUMER BUYING BEHAVIOR”

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ABSTRACT

This study on the retail industry, attempts to rigorously analyze the factors which influence the consumers to move towards the organized retailing from unorganized retailing. The study also helps the retailers by revealing the facts regarding the most prioritized attributes of the retail stores which attract the consumers towards them. It is also to be noted that in the next level of cities, only departmental stores and supermarkets alone given more priority in organized formats. This study will help the retailers to make an analysis of them and understand where they stand, and in order to move forward in what areas they must focus. It also helps them by providing consumers' expectations towards the organized formats so that they can make appropriate arrangements.

KEY WORDS: influence, retailing, consumer behavior, family, motivation

INTRODUCTION:

The retail sector is expanding and modernizing rapidly in line with India's economic growth. It offers significant employment opportunities in all urban areas. This study on the retail industry, attempts to rigorously analyze the factors which influence the consumers to move towards the organized retailing from unorganized retailing. Retailing is defined as “all the activities involved in selling goods or services directly to final consumers for personal, non-business use.” Retailing consists of the final activity and steps needed to place merchandise made elsewhere into the hands of the consumer or to provide services to the consumer. Retailing consists of the sale of goods or merchandise, from a fixed location such as a department store or kiosk, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated

services, such as delivery. Purchasers may be individuals or businesses. In commerce, a retailer buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores. Retailers are at the end of the supply chain. Manufacturing marketers see the process of retailing as a necessary part of their overall distribution strategy. Retail industry is divided into organized and unorganized sectors. Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local Karana shops, owner manned general stores, paan / beedi shops, convenience stores, hand cart and pavement vendors, etc. The study also helps the retailers by revealing the facts regarding the most prioritized attributes of the retail stores which attract the consumers towards them.

NEED OF THE STUDY:

There is a need to study shifting preferences of consumers towards various retail formats. Whether there is any relation between the demographic profile of the consumers and preferred retail format and does income besides other family attributes play a role in selection of the retail formats are some of the questions require a probe in. The problems faced by consumers shopping from organized as well as unorganized retail outlets also need a thorough study.

OBJECTIVE OF THE STUDY:

1) To study the present retail scenario with respect to the share of unorganized retailing.

OVERVIEW OF GLOBAL RETAIL INDUSTRY

Retail has played a major role in world over in increasing productivity across a wide range of consumer goods and services. The impact can be best seen in countries like U.S.A., U.K., Mexico, Thailand and more recently china and India also. Economies of countries like Singapore, Malaysia, Hong Kong, Sri Lanka and Dubai are also heavily assisted by the retail sector. Retail is the second-largest industry in the United States both in number of establishments and number of employees. It is also one of the largest worldwide. The retail industry employs more than 22 million Americans and generates more than \$3 trillion in retail sale annually. Retailing is a U.S. \$7 trillion sector. Wal-Mart is the world's largest retailer.

INDIAN RETAIL INDUSTRY

Several authorities and surveys conducted by different agencies have given current as well future projections of retail trade in India. Currently, India is one of the fastest growing economies in the world and by 2030, India would be one of the Top 5 economies in terms of GDP. The India retail market is estimated at US\$ 470 Bn in 2011, accounting for ~35% of GDP and is expected to grow to US\$ 675 Bn by 2016, @ CAGR of 7.5%

FACTORS INFLUENCING CONSUMER BUYING BEHAVIOUR:

1. Internal or Psychological factors
2. Social factors

3. Cultural factors
4. Economic factors
5. Personal factors.

1. Internal or Psychological factors :-

The buying behaviour of consumers is influenced by a number of internal or psychological factors. The most important ones are Motivation and Perception.

a) Motivation - In the words of William J Stanton, "A motive can be defined as a drive or an urge for which an individual seeks satisfaction. It becomes a buying motive when the individual seeks satisfaction through the purchase of something". A motive is an inner urge (or need) that moves a person to take purchase action to satisfy two kinds of wants viz. core wants and secondary wants. So, motivation is the force that activates goal-oriented behaviour. Motivation acts as a driving force that impels an individual to take action to satisfy his needs. So it becomes one of the internal factors influencing consumer behaviour. A need becomes a motive when it is aroused to a sufficient level of intensity. A motive is a need that is sufficiently pressing to drive the person to act. There can be of types of needs:

b) Perception - Human beings have considerably more than five senses. Apart from the basic five (touch, taste, smell, sight, hearing) there are senses of direction, the sense of balance, a clear knowledge of which way is down, and so forth. Each sense is feeding information to the brain constantly, and the amount of information being collected would seriously overload the system if one took it all in. The brain therefore selects from the environment around the individual and cuts out the extraneous noise. Therefore the information entering the brain does not provide a complete view of the world around you. When the individual constructs a world-view, she then assembles the remaining information to map what is happening in the outside world. Any gaps (and there will, of course, be plenty of these) will be filled in with imagination and experience. The cognitive map is therefore not a 'photograph'; it is a construct of the imagination.

2. Social factors –

Man is a social animal. Hence, our behaviour patterns, likes and dislikes are influenced by the people around us to a great extent. We always seek confirmation from the people around us and seldom do things that are not socially acceptable. The social factors influencing consumer behaviour are a) Family, b) Reference Groups,

a) Family-There are two types of families in the buyer's life viz. nuclear family and Joint family. Nuclear family is that where the family size is small and individuals have higher liberty to take decisions whereas in joint families, the family size is large and group decision-making gets more preference than individual. Family members can strongly influence the buyer behaviour, particularly in the Indian context. The tastes, likes, dislike, life styles etc of the members are rooted in the family buying behavior.

b) Reference group -A group is two or more persons who share a set of norms and whose relationship makes their behaviour interdependent. A reference group is a group of people with whom an individual associates. It is a group of people who strongly influence a person's attitudes values and behaviour directly or indirectly. Reference groups fall into many possible grouping, which are not necessarily to be exhaustive (i.e. non over-lapping).

3. Cultural factors

It is observed that human behaviour is largely the result of a learning process and as such individuals grow up learning a set of values, perceptions, preferences and behaviour patterns as the result of socialization both within the family and a series of other key institutions. From this we develop a set of values, which determine and drive behavioral patterns to a very large extent. This broad set of values is then influenced by the subcultures like nationality groups, religious groups, racial groups and geographical areas, all of which exhibit degrees of difference in ethnic taste, cultural preferences, taboos, attitudes and lifestyle.

4. Economic Factors -

Consumer behaviour is influenced largely by economic factors. Economic factors that influence consumer behaviour are a) Personal Income, b) Family income,

a) Personal Income The personal income of a person is determinant of his buying behaviour. The gross personal income of a person consists of disposable income and discretionary income. The disposable personal income refers to the actual income (i.e. money balance) remaining at the disposal of a person after deducting taxes and compulsorily deductible items from the gross income. An increase in the disposable income leads to an increase in the expenditure on various items. A fall in the disposable income, on the other hand, leads to a fall in the expenditure on various items.

b) Family income -Family income refers to the aggregate income of all the members of a family. Family income influences the buying behaviour of the family. The surplus family income, remaining after the expenditure on the basic needs of the family, is made available for buying shopping goods, durables and luxuries.

CONCLUSION:

From this study it was observed that due to change life style, increase awareness of quality products as well as disposable income most of the customers switching to organized retail store form unorganized retail store but at present time unorganized retail also captured a high market share in India, many customer thinks that they local Kirana store is the one of the most important factor for their day to day life, they cannot visit organized retail store frequently so we can say that organized retailers have huge opportunities in Indian market but they must open more outlets so that customer visit frequently. At present time some organized retailer's i.e. on door, Best price etc also provide home delivery and online order facilities which is comfortable for customers. For a successful consumer oriented market service provider should work as psychologist to procure

consumers. By keeping in mind affecting factors things can be made favorable and goal of consumer satisfaction can be achieved. Study of consumer buying behaviour is gate way to success in market.

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