

Consumer Buying Behavior towards Supermarkets in Indore city

¹Rupendra S. Chouhan, ²Dr. Devendra S. Verma

¹Research Scholar, ²Assistant Professor,

¹Industrial Engineering & Management, Department of Mechanical Engineering,

¹Institute of Engineering and Technology-Devi Ahilya Vishwavidyalaya (IET-DAVV), Indore (M.P), India.

Abstract- A Consumer's behavior is a specific area of study that depends on various factors like social, economical, psychological, and demographical factors. The Consumers buying behavior is influenced by the above factors, but what extend is the subject of study. The consumer's behavior is the consumer approach for selecting and buying a product from several options available for his daily need. The Indian Retail sector is the largest sector after agriculture. The Indian retail industry increasing very fast with several national and international players competing globally. The retail sector has a good future scope, but still unorganized retail sector captures a huge market. The retail sector has changed entire shopping scenario in India with the presence of supermarkets like D-mart, Big Bazaar, Reliance fresh, and Metro etc. Increased disposable income, convenience of getting all house hold products under one roof and bill payment through card are some factors responsible for which attract the consumers towards shopping in supermarkets. The objectives of this study are to identify factors affecting consumers buying behavior towards supermarkets. The study is conducted in X-supermarket and Y- supermarket in Indore city.

Key words: Consumer Behavior, retail sector, Supermarkets, Provision store

I. INTRODUCTION:

“A Consumer buying behavior is the study of buying process when an individuals or group of people involved in all the activities of purchase and consume of goods and services. Consumer behavior is the study to find the answers of the questions like “ how people buy”, “what they prefer to buy”, “ when they need to buy” and “why they buy” i.e. the reason behind the shopping. A consumer buying behavior with reference to Supermarkets is the consumer's psychology of selecting a specific outlet and specific items when he wants to shop.

The Indian retail industry has emanated as one of the most vigorous and fastest growing industries. “Retail” originates from the French word retailer, which means to cut the piece off or to break bulk. Retailing is defined as a conclusive set of activities that market the products or services to final consumer for their daily use. According to The Economic Times “Indian retail industry accounts for over 10 percent of the country's Gross Domestic product (GDP) and around 08 percent of the employment. India is the world's fifth- largest global destination in the retail space. Indian retail industry is expected to grow at 10% CAGR (Compound Annual Growth Rate) from US\$ 950 billion in 2019 to 1.6 trillion by 2026”. The development of retail sector is due to factors like new economic policy, globalization, rapid urbanization, increase in disposable income, evolving consumption pattern, new technologies and life style, increase in ease access to credit, growth of towns into cities and cities into metros.

Super markets and provisional stores have played an important role in food distribution in Indore city. For the past recent years, supermarkets start replacing the traditional markets and people starts depending on supermarkets for their basic daily household needs. Supermarket offers all over the household products in best affordable price for every customer. The study is conducted in X-supermarket at Rajendra Nagar and Y- supermarket at Rau in Indore city to understand the consumers buying pattern, when he visit to supermarket for shopping.

II. LITERATURE REVIEW:

Kusuma B, Prasad N.D & Rao M S (2013) had stated that the Indian retail industry is one of fastest growing industry in the world and brings huge opportunities for retail business. In Nov 2012, Indian Government announced retail reforms that allow Foreign Direct investments (FDI) in India. That allows multi-national company like Wal-Mart, Nike etc. to start their business in retail sector in India. Prasad C. J & Ayrasri A. R (2011) had stated that shopper's Socio-economical and Demographic factors like age, gender, monthly income, and family size have an impact on the retail format choice decisions. The Retail industry will focused on providing customized services and attain customer satisfaction. The shopping malls have become attractive place for outing also. According to Goswami P & Mishra M.S (2009), the factors which influence customers with regard to grocery stores are quality, location, cleanliness, and sales people service etc. M. Guruprasad (2018), he conclude that large majority of consumer are loyal to brand, what contribute to the popularity of the demand is the service quality of merchandise provided by supermarkets coupled with the attractive pricing strategy followed by it.

III. OBJECTIVES OF THE STUDY:

The main objective of the study is to analyze the “Consumer Behavior towards Supermarkets in Indore city”.

The specific objectives of the study includes:-

1. To study the effect of Socio-economic and demographic factors (Age, Gender, Education, Income etc.) on the customers preferences towards selection of Supermarkets.
2. To know the availability of offers and services.
3. To know the availability of varieties of products.
4. To know the affordable price for everyone.
5. To study of quality of products.

IV. RESEARCH METHODOLOGY:

The present study deals with various aspects which determine the consumer's preference and attitude towards the Supermarkets. I approached the consumers at Supermarkets and provisional stores in the Indore city randomly for the purpose of the present study. The

sample size consists of 100 respondents. A well – designed questionnaire was prepared for obtaining the information and data. Random Sampling techniques have been used to analyze the data and obtaining the results.

4.1. Problem Identification: - There are many provisional store, supermarkets and hypermarkets in Indore city. The present study deals with to identify the reasons which attract the consumer's towards the Supermarkets and their products.

4.2. Data Collection: - The research will be conducted in Supermarkets of Indore city. There are several Super Markets like Big bazaar, D-mart, Reliance fresh, Vishal Mega mart etc. in Indore. According to the 2011, census of India, the population of Indore is 1,994,397. As a metro city, it provide wide platform for business in Retail sector. I approached the customers at X-supermarket at Rajendra Nagar and Y-supermarket at Rau in the Indore city randomly for the purpose of the present study. The sample size consists of 100 respondents. A well – designed questionnaire was prepared for obtaining the information and data. The Questionnaire prepared is as follows:

Research Questions:-

1. What is the Demographic and Socio-Economic profile of Respondents?
2. Which Store you prefer first?
3. How frequently do you visit Supermarkets?
4. Level of Shopping from Supermarket?
5. Distance between your house & Supermarket?
6. Type of products respondents prefer to purchase?
7. Reason behind Supermarket purchasing?
8. Offers of Supermarket as compare to Store?
9. How would you rate the returns policy of Supermarket?
10. for day to day need you prefer?
11. For monthly purchasing you prefer?
12. Do you think Supermarket is more affordable for everyone?

4.3 DATA ANALYSIS AND CALCULATIONS:-

For Data analysis, Random sampling techniques has been used to analyze the data. After the complete survey and data collection, the data is analyzed on the basis of Demographics and Socio-Economic factors, which influences the consumers for shopping in the supermarket and the details are as below:-

4.3.1 Details of Demographics and Socio-Economic profile of Respondents.

Table 4.1: Demographics and Socio-Economic profile of Respondents are shown in table.

Variable	Attribute	% of Frequency
Age	Below 20	05
	20-29	46
	30-39	18
	40-49	11
	50-59	14
	Over 60	06
Gender	Male	48
	Female	52
Education	Below SSC	2
	SSC	10
	Graduate	33
	PG and above	55
Profession	House wife	22
	Salaried	26
	Business	17
	Others	35
Marital Status	Married	63
	Unmarried	37
Monthly Income	Up to 10,000	5
	10,000-30,000	53
	30,000-60,000	32
	Above 60,000	10

For the study of consumer behavior the impact of demographic and socio-economic factors were also considered such as age, gender, marital status, education, profession, monthly income. It was found that the dominating age group of respondent was 20-29, that contribute 46% of the sampled population, followed by 30-39 age .i.e. is 18 %. The study showed that the 73 % of the respondents were married. Sampled population also showed varieties of profession (i.e. Some are housewife, some are businessman, some are salaried and educationist etc.). Another interesting aspect was that more than half of respondents holding post graduate or above degree. As stated in the objectives of the study, whether these demographic and socio-economic factors affect the consumer preferences of shopping in supermarket following test were conducted and analyzed.

4.4. Results:-

1. Preference of Stores by respondents for shopping: -

	Supermarket	Store	Both	None	Total
No of Responses	66	26	8	0	100
Percentage	66	26	8	0	100

Findings :-

Majority of the customers are given response for most powerful preference is Supermarkets compare to other provisional stores because it provide a varieties of products at affordable price compare to Provisional stores.

2. Frequency of purchasing by respondents in Supermarkets: -

	Daily	Weekly	Monthly	Yearly	Total
No of Responses	17	34	45	4	100
Percentage	17	34	45	4	100

Findings:-

From the analysis, it is observe that at present in Indore city, supermarkets is mostly preferred by the middle Income groups because they shop weekly or monthly as per their requirements. Majority of consumers like Supermarket for monthly shopping purpose

3. Level of Shopping from Supermarket: -

	Below 1000	Below 5000	Below 10000	Above 10000	Total
No of Responses	32	52	12	4	100
Percentage	32	52	12	4	100

Findings :-

Majority of consumers like Supermarket for shopping up to Rs 5000, this amount of bill cover complete single shopping as per requirement. It means middle income group does shopping maximum, but from this analysis it is observe that at present, supermarket is affordable for the all income group in the Indore city.

4. Distance between respondent's house & Supermarket:-

	Below 2 km	Between 2- 5 km	Between 5- 10 km	More 10 km	Total
No of Responses	38	44	16	2	100
Percentage	38	44	16	2	100

Findings:-

From this explanation, it is observed that within 0- 5 Km distance a have huge number of consumers comes for shopping, but above 5 km distance the number is less i.e. between 5-10 km is 16% and more than 10 km is only 02%, it means that distance have impact on the selection of supermarket for shopping. Maximum customers prefer nearby supermarket for shopping.

5. Type of products prefer by respondents to purchase:-

	Grocery	Cloths	Household	Food Items	Total
No of Responses	16	15	40	29	100
Percentage	16	15	40	29	100

Findings :-:-

Majority of customers are gave response for Food items and Groceries items of the store like the most i.e. 40% & 29%, but Household items and Clothes get minimum percentage i.e. 15% & 16% . It means that for these items, they are not much interested in buying and this might create Inventory that will affect overall profit of supermarket.

6. Reason behind Supermarket purchasing:-

	Fashion	Quality	Price	Offers	Purchasing system	Total
No of Responses	5	30	32	28	5	100
Percentage	5	30	32	28	5	100

Findings – Majority of customers gave response, Maximum 32% for Price factor, 30% for Quality and then 28% for Offers Grocery and rest 5%, 5% for fashion and purchasing system of supermarket. From above analysis, maximum customers focused on Price & Quality because the price of product is on MRP, which is fixed & but supermarket gave their customer about 5 to 10% discount to consumers and get saving on the total bill. For this reason they prefer supermarkets. They also provide offers like “Buy 1 – Get 1” free with quality, it means that Prize, Quality and Offers will influence consumers for shopping in supermarkets.

7. Offers of Supermarket as compare to Store?

	Same	Low	High	Total
No of Responses	25	15	60	100
Percentage	25	15	60	100

Findings: – Majority of customers gave response that supermarket will give Maximum offers as compared to provisional stores, that is why maximum consumers prefer supermarket for shopping.

8. How would you rate the returns policy of Supermarket?

	Excellent	Good	Satisfactory	Not Satisfactory	Total
No of Responses	24	52	20	04	100
Percentage	24	52	20	04	100

Findings: – Maximum of consumers gave response that supermarkets returns policy is much better as compared to provisional stores. That is why maximum consumers prefer supermarket for shopping.

9. for day to day need respondents prefers:-

	Supermarket	Provisional Store	Total
No of Responses	46	54	100
Percentage	46	54	100

Findings: – Majority of consumer's gives response to the Provisional Store is 64% for day to day need of shopping as compared to supermarket because for few items they don't want to visit supermarket as it will consume much time for shopping that is why maximum consumers prefer provisional stores for shopping.

10. For monthly purchasing respondents prefer?

	Supermarket	Store	Total
No of Responses	65	35	100
Percentage	65	35	100

Findings: – from the above analysis, it is observed that Majority of consumers prefer supermarket for monthly shopping purpose in Indore city because it provide a varieties of products at affordable price as compare to Provisional stores. Supermarket save money and provide great shopping experience.

11. Is Supermarket is more affordable for everyone?

	Yes	No	Total
No of Responses	90	10	100
Percentage	90	10	100

Findings: – Majority of consumers is thinking that Supermarkets is affordable for everyone and save money that is why maximum consumers prefer supermarket for shopping.

VI. CONCLUSION:

During last few decades, Indian retail industry has significantly transforms into traditional retail format to organized retail format. Both have equal importance and consumers are purchasing from both unorganized and organized retail outlets i.e. supermarkets. Supermarkets provide wide varieties of household products at single destination. It was found that the demographic attributes like Age, Gender, Education status, and Income factors will affect the consumers for shopping. From the above analysis, it was concluded that the age group between 20-29 years of consumers i.e. young consumers shops maximum from supermarkets. It is also finding that 60% of the consumers visit supermarket because they get maximum offers as compared to provisional stores. Also the distance has great impact on the selection of supermarket for shopping. Maximum customers prefer nearby supermarket for shopping.

But from the above analysis it is clear that some of products like apparels, foot wear, crockery, clothes, electronics items etc. have minimum selling rate and cause inventory generation that will affect the overall profit of Supermarkets. To resolve this problem, it is suggested that Supermarkets must do effective advertisement and promotion of their products to increase their sell.

Finally respondents agreed that the distance from their home to the supermarket and offers are the most important criteria to choose a shopping destination. Supermarkets provide a wide range of products varieties and discount offers as compare to provisional stores, also the maximum consumers are satisfied with the returns policy of Supermarket with customer services, fast billing system, systematic display, product assortments air-conditioned shopping experience, and parking facility. On the other hand choice of size, distance, day-to-day shopping and goodwill were most common criteria which influenced the consumers to buy from provisional stores.

VII. REFERENCES:

[1] Kusuma B, Prasad N.D & Rao M S (2013), "A study on Organized retailing and its Challenges and Retail customer Services, Innovative Journal of Business and Management", Vol. 2 (5), pp. 97-102.

- [2] Prasad C. J & Ayrasri A. R (2011), "Effect of shopper attributes on retail format choice behavior for food and grocery retailing in India", International Journal of Retail & Distributed Management, Vol.39 (1), pp.66-86.
- [3] Goswami P & Mishra M.S (2009), "Would Indian consumers move from Kirana stores to organized retailers when shopping for groceries"? Asia Pacific Journal of Marketing and Logistics, Vol. 21(1), pp 127-143.
- [4] Sengupta A (2008), "Emergence of modern Indian Retail, An Historical Perspective", International Journal of Retail and Distribution Management, Vol. 36(9).pp.689-700.
- [5] Halepete J & Iyer S.K (2008) "Multidimensional investigation of apparel retailing in India", Journal of Retail and Distribution Management, Vol. 6(9).pp.676-688.
- [6] M. Guruprasad (2018), "Study on the Consumer Preferences and Perception of Supermarket Chain –Case of D-Mart", International Journal of Innovation Science and Research Technology, Vol. 3, Issue 11, Nov-2018, ISSN No.2456-2165.
- [7] Mummalaneni, V. (2005), "An empirical investigation of Web site characteristics, consumer emotional states and on-line shopping behaviors". Journal of Business Research, Vol.58, pp. 526-532.
- [8] Bijapurkar R.(2008), " The new improved Indian consumer ", Business World, Vol. 1, Issue 1, pp. 28-36.
- [9] Srivastava, R. K. (2008), "Changing retail scene in India", International Journal of Retail & Distribution Management, Vol.39 (1), pp.714-721.
- [10] Nair Suja, (2008), "Retail Management, 1st edition, Himalaya Publishing House New Delhi", Prentice- Hall of India Private Ltd, New Delhi.
- [11] Dholokia, U.M, Kahn, B.E, Reeves R., Rindfkeisch, A., Stewart, D., & Taylor, E.(2010), " Consumer Behavior in multichannel, Multimedia Retailing Environment", Journal of Interactive Marketing, Vol.24, pp. 86-95.
- [12] C S Venkata Ratnam, "Changing Consumer Behavior and Emerging Challenges to the Retail Trade in India", Indian Retail Review Vol. 1 Issue 1, Jan 2007.
- [13] Das, G., Datta, B., & Guin, K.K (2012), "Impact of Retail personality on consumer- based retailer equity: An empirical study of retail brands", Asia Pacific Journal of Marketing and Logistics, Vol. 24(4), pp.619-639.
- [14] Amit P. and Kameshvari B., "A Study on Consumer Behavior of Organized and Unorganized Retail Outlets in Vadodara City", International Journal of Engineering and Management Sciences, Vol.3 (4), pp. 466-474.
- [15] Madhurima Deb, (2012), " Evaluation of customers mall preferences in India using fuzzy AHP approach", Journal of Advances in Management Research, Volume. 9 Issues: 1.pp-29-44.
- [16] Zameer, Asif. Mukherjee, Deepankar. (2011), "Food and Grocery Retail: Patronage Behavior of Indian Urban Consumers", South Asian Journal of management: Volume 18, 1: pp .119

