3.1. Statement of the problem:

Consumer behavior research is the scientific study of the processes consumers use to select, secure, use and dispose of products and services that satisfy their needs. Knowledge of consumer behavior directly affects marketing strategy. This is because of the marketing concept, i.e., the idea that firms exist to satisfy customer needs (Winer, 2000). Firms can satisfy those needs only to the extent that they understand their customers. For this reason, marketing strategies must incorporate knowledge of consumer behavior into every facet of a strategic marketing plan (Solomon, 2002). There is a widespread recognition that consumer behavior is the key to contemporary marketing success. [25]

Retailing has changed the fortune of several companies across the world. In this booming retail market in India it became inevitable for the companies to learn how to retain their market share as well as to enhance it. With the entry of bigger players, the retail market is getting more and more organized and structured. Competition will soon be very intense. Existing customers generate larger margins and profits (per customer) than the new ones (Smith and Taylor, 2005).

Organized sector growing at a blistering pace is overshadowing the unorganized sector and alongside, Indian cities are witnessing a paradigm shift of retailing to the vibrant organized sector. Clothing and fashion accessories stand to be the largest category followed by food and grocery, footwear, and consumer durables in organized retailing. Changing lifestyle, increased rate of literacy, growing number of working women, excessive urbanization, high rate of media penetration, growing young population, tendency to ‘spend now’ and favorable demographic patterns act as the key in the recent spurt of the organized retail sector in India.

The purchase of goods or services includes a number of factors that could affect each decision. Decision making is more complex and even more important for consumers today than in the past. Consumers are besieged by advertising, news articles, and direct mailings that provide an

abundance of information, much of it with mixed messages. In addition, increases in the number and variety of goods, stores, and shopping malls, and the availability of multi component and have complicated decision making. So it becomes absolutely necessary for retailers to understand the buying behavior of end consumers.

Competition is also growing within the industry because of the large number of players entering Indian market both from national and international levels. The changes in the behavior of consumers in turn have impact on the industry directly or indirectly. In order to attract and retain customers, the companies have to come up with various business strategies. To plan a successful business strategy, it is very much necessary to understand the factual changing patterns of consumer behavior. Like many other items, apparel products are composed of many physical characteristics, which are perceived differently by various consumers. When considering a product purchase, consumers tend to compare and contrast alternative products made of different attribute combinations. Their preferences for items of apparel may depend on the joint influence of price and product attributes such as quality, style, and brand. Past studies have indicated that the apparel store format and store ambience are also important in attracting customers. [26][27]

Since, apparels are shopping goods, consumers usually spend a considerable amount of time in selecting and buying apparels. This often includes visiting multiple apparel outlets and comparing different brands based on the quality, design and fittings. The competition in apparel retail is intense with several organized and unorganized retailers trying to get a share of customer’s attention and share of customer’s wallet. Organized apparel retailers have tried various schemes and techniques such as Sales Promotions, Discounts, Customer Loyalty Programs, Store atmospherics/Visual merchandising and advertisements. Most of these schemes have been successful only for a limited period of time. There is always a threat of competitor matching the Sales Promotion and discount offer. Almost all organized retailers have Customer Loyalty Programs such as: Customer Loyalty Cards, Customer Points, Vouchers, Coupons, and Special discounts; so breaking the clutter is a challenge for apparel retailers.


Since, a growing percentage of apparel shoppers prefer organized retail outlets in metros and cities, most of the organized apparel retailers are going for expansion. The sector is witnessing the addition of new domestic and International players. However there are many challenges which the apparel retailers face when setting up new apparel outlets such as location, store format, pricing, merchandising, staffing etc. Location decisions once made are irreversible for a long period of time. Selecting the wrong store format can affect the sales and profitability of the retail outlet. These decisions involve enormous fixed costs, which makes it difficult to recover the investment in case of a mistake in location or store format. Pricing and merchandizing decisions are crucial in attracting the customers. Merchandizing and setting a right price for apparels is always a challenge as most of the apparels follow the fashion cycle. Customers want quality and variety at a reasonable price. But, it is a challenge to get a right mix of factors in order to attract and retain the customers. Hence, there is a genuine need to understand the factors that influence the buying behavior of consumers when they shop for apparels in organized retail outlets. The present study is an attempt in this direction.

3.2. Research Design:
The focus of the study is to understand the factors influencing buying behavior of consumers while shopping for apparels in organized retail outlets in Bangalore. It was therefore, decided to use explorative design, which befits into the pattern of investigation. A structured questionnaire was used for the purpose of collecting the data. Bangalore was divided into five zones and care was taken to cover respondents from all the zones, so that the study will be representative of entire Bangalore.

3.3. Objectives:
- To analyze the influence of demographic variables on the buying behavior of consumers while purchasing apparels in organized retail outlets;
- To understand the factors that influence the buying behavior of consumers while shopping for apparels in organized retail outlets;
- To investigate the impact of Sales Promotions by organized retailers on purchase intention for apparels; and
- To understand the influence of retail store location on consumers shopping for apparels.
3.4. Hypothesis:

The study tries to test the following main hypothesis:

**Ha1**: Demographic variables have an impact on the buying behavior of consumers while shopping for apparels in organized retail outlets;

**Ha2**: Various store related factors influence the buying behavior of consumers while shopping for apparels in organized retail outlets.

The hypothesis Ha1 is further divided into the following sub hypothesis:

**Ha1_1**: Gender has an impact on the buying behavior of consumers while shopping for apparels in organized retail outlets.

**Ha1_2**: Age has an impact on the buying behavior of consumers while shopping for apparels in organized retail outlets.

**Ha1_3**: Marital Status has an impact on the buying behavior of consumers while shopping for apparels in organized retail outlets.

**Ha1_4**: Income has an impact on the buying behavior of consumers while shopping for apparels in organized retail outlets.

**Ha1_5**: Education has an impact on the buying behavior of consumers while shopping for apparels in organized retail outlets.

**Ha1_6**: Profession has an impact on the buying behavior of consumers while shopping for apparels in organized retail outlets.

3.5. Method of Study:

a) Geographical Area

Organized retail outlets are largely present in urban areas. Metropolitan cities in India have the have relatively much larger proportion of organized retail outlets as compared to the rest of India. Hence Bangalore was chosen for the present study as there are many organized apparel retail outlets in this metropolitan city.
The following table gives a list of major malls in Bangalore having organized apparel retail outlets.

**Table 3.5.1: Size and Location of Major Malls in Bangalore**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of the Mall</th>
<th>Size in SQ. Ft</th>
<th>Location</th>
<th>Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Forum</td>
<td>625,000</td>
<td>Adugodi</td>
<td>Central</td>
</tr>
<tr>
<td>2</td>
<td>Garuda Mall</td>
<td>280,000</td>
<td>McGrath Road</td>
<td>Central</td>
</tr>
<tr>
<td>3</td>
<td>Bangalore Central</td>
<td>275,000</td>
<td>Commissariat Road</td>
<td>Central</td>
</tr>
<tr>
<td>4</td>
<td>Bangalore Central</td>
<td>225,000</td>
<td>J P Nagar</td>
<td>South</td>
</tr>
<tr>
<td>5</td>
<td>Bangalore Central</td>
<td>329,000</td>
<td>Outer Ring Road</td>
<td>South</td>
</tr>
<tr>
<td>6</td>
<td>Mantri Square</td>
<td>1,700,000</td>
<td>Sampige Road, Malleswaram</td>
<td>West</td>
</tr>
<tr>
<td>7</td>
<td>Orion Mall</td>
<td>850,000</td>
<td>Malleswaram-Rajajinagar</td>
<td>West</td>
</tr>
<tr>
<td>8</td>
<td>Phoenix Marketcity</td>
<td>700,000</td>
<td>Whitefield</td>
<td>East</td>
</tr>
<tr>
<td>9</td>
<td>Royal Meenakshi Mall</td>
<td>600,000</td>
<td>Bannerghatta Road</td>
<td>South</td>
</tr>
<tr>
<td>10</td>
<td>Park Square Mall</td>
<td>400,000</td>
<td>Whitefield</td>
<td>East</td>
</tr>
<tr>
<td>11</td>
<td>Total Mall</td>
<td>225,000</td>
<td>Madivala</td>
<td>South</td>
</tr>
<tr>
<td>12</td>
<td>Total Mall</td>
<td>170,000</td>
<td>Airport Road</td>
<td>East</td>
</tr>
<tr>
<td>13</td>
<td>Sigma Mall</td>
<td>120,000</td>
<td>Cunningham Road</td>
<td>Central</td>
</tr>
<tr>
<td>14</td>
<td>Inorbit Mall</td>
<td>339,000</td>
<td>Whitefield</td>
<td>East</td>
</tr>
<tr>
<td>15</td>
<td>The Collection</td>
<td>130,000</td>
<td>UB City</td>
<td>Central</td>
</tr>
<tr>
<td>16</td>
<td>Gopalan Arch Mall</td>
<td>163,000</td>
<td>Raja Rajeshwari Nagar</td>
<td>South</td>
</tr>
<tr>
<td>17</td>
<td>Gopalan Signature Mall</td>
<td>300,000</td>
<td>Old Madras Road</td>
<td>East</td>
</tr>
<tr>
<td>18</td>
<td>Gopalan Mall</td>
<td>280,000</td>
<td>Mysore Road</td>
<td>West</td>
</tr>
</tbody>
</table>

**b) Sampling Population**

A sample of 400 respondents of various age groups, different professions and income levels has been included in the current study. Care has been taken to include respondents from all parts of Bangalore, so that the sample is representative of the whole Bangalore city. The respondents were administered the detailed questionnaire at their work places, homes and at malls having organized apparel retail outlets. Care was taken in choosing malls so that major geography of Bangalore was covered.
3.6. Data Collection:

An exhaustive consumer behavior questionnaire was put to test. Several factors influencing buying behavior of consumers with respect to purchase of apparels in organized retail were probed and some important factors were identified. The influence of demographic variables on buying behavior was also investigated. The questionnaire was personally administered by the researcher.

The present enquiry is a scientific investigation into the field of consumer behavior for apparels in organized retail sector and hence the data collection is undertaken at two stages namely:

a) Pilot study; and

b) Final study

a) Pilot study

A pilot study with specific practices was undertaken with few enquiry areas identified and put to test. A sample of 100 respondents was chosen for the pilot study. This pilot study allowed us to verify and extend the larger survey findings. Pilot study also paved way for further exploration of new areas and few areas of in-significance were ignored.

Key findings of the pilot study are as follows,

- Found that age of the respondents has an impact on the frequency visits to organized apparel retail outlets, i.e., younger respondents visited apparel stores more frequently
- Found that there is a negative relationship between frequency of apparel outlet visits and the quantity purchased in each visit
- Found that Sales Promotion has a positive impact on buying behavior of consumers with respect to apparels.
- Found that male shoppers preferred direct discounts to other forms of Sales Promotions.

b) Final observation

At final stage, while collecting actual data, an exhaustive questionnaire was administered focusing all valid areas consumer buying behavior.
3.6.1. Sources of data collection:

In the present study, both primary and secondary data are utilized. Primary data was collected through administering the questionnaire. Secondary data was collected by going through past research papers from EBSCO, Marketing journals and some articles from experts in the retail sector. To add, all the data was meaningfully related to the objectives of study, the hypothesis to be tested and the intended outcome.

3.6.2. Period of Study:

The total span of time utilized to collect actual data for the present study was six months. The actual data was collected during the year 2013. The prior six months were spent undertaking the pilot study. The literature review was done over a period of one year and very many factors were identified. These factors were put to test in the pilot study, and were more elaborately tested in the actual study.

3.7. Scope of the work:

In the present scenario, the researcher wants to foray into organized retailing in the Indian sector in order to explore the different aspects that have impact on consumers’ buying behavior. Retailing covers a very wide range of products and services; hence the researcher has decided to focus only on the organized apparel segment. There have been a few studies in the past which have concentrated on organized apparel retailing in different cities in India. However the researcher found that there was a gap in understanding the buying behavior of consumers with respect to apparels in organized retail outlets. There was no comprehensive study done to understand the factors that influence buying behavior of consumers when they shop for apparels in organized retail outlets especially in Metropolitan cities in India.

The researcher will concentrate the whole analysis based on a survey based quantitative study in Bangalore. The agenda of the entire study is to know the factors which influence the buying behavior of consumers while purchasing apparels in organized retail outlets. Care has been taken to include all the major formats of organized apparel outlets in the study. The research will be useful to organized apparel retailers in Bangalore as well as other metropolitan cities in India.
This research intends to help the organized apparel retailers to understand their customers better. The organized apparel retailers can concentrate on the important factors which will lead to more customer footfalls and which will actually enhance the purchase intention of customers. This study will be useful for organized apparel retailers who are planning to open new apparel outlets.

3.8. Limitation of the Study:

- The study is restricted to Bangalore. Hence it may not be possible to generalize the finding to the entire population of the country;
- Some of the respondents may not give accurate information, as they may not like to reveal their actual identity, income etc;
- There may be some positive and negative biases of the respondents;
- Shopper’s may not have the patience to answer all the questions accurately;
- Consumers would like to portray themselves as trendy and elite and may not give their actual preferences; and
- Promotions and sales may temporarily draw the attention of price conscious customers who otherwise may go for unbranded apparels from smaller unorganized retailers.

With all limitations and shortcoming, an honest enquiry was undertaken.

3.9. Utility of the study

- The study will be useful for organized apparel retailers while identifying new store locations.
- The study will help organized apparel retailers to understand importance of sales promotions while inducing the consumers to buy apparels. The research will also help the apparel retailers to understand which type of sales promotion is most preferred by the consumers.
- This research enquiry will help mall developers and organized apparel retailers to understand the importance of visual merchandising and store ambience in attracting the customers.
- This research work will help the different formats of organized retail outlets such as Department stores, exclusive apparel stores, hypermarkets, discount stores, factory outlets etc in order to understand which type of apparels to stock more (i.e., formal, casual, party wear)
• This research study will be of use for academicians and students in order to understand organized apparel retail in Bangalore and the factors influencing the buying behavior of consumers with respect to apparels in Bangalore.