3. CONSUMER BUYING BEHAVIOUR

1.1 CONSUMER BEHAVIOR - AN OVERVIEW

According to American Marketing Association (AMA) consumer behavior is the dynamic interaction of affect and cognition, behavior, and the environments by which human being conduct the exchange aspects of their lives.”

A consumer is a person or organization that uses economic services or commodities and he is one who pays to consume goods and services produced by the producer.1 The consumers can be distinguished as industrial and final consumers based on the type of markets to which they belong. The current study is dealing with the final consumers who are individuals and buy to meet personal and household needs. According to Solomon2 Consumer Behaviour is the study of how individuals, groups and organizations select, purchase, use and dispose of goods and services to satisfy their needs and wants. It refers to the activities and the decision processes of people who purchase goods and services for personal consumption.3 Another definition for consumer behavior is, it reflects the totality of consumer decisions with respect to acquisition, consumption and disposition of goods, services, time and idea by (human) decision making units and includes both physical and psychological actions and i– also includes whether, whom, what, why, when, where, how, how much and how often and how long the consumption depends.4 By the understanding of the consumer behavior will help in learning and comprehending the different market segments and help to formulate strategies to attract

2 Michal R Solomon ,Consumer Behaviour ;Buying; Having and Being ,9th ed (upper saddle river ,NJ ,Prentice hall,2011)
3 Peter D. Bennett, ed. Dictionary of Marketing Terms, 2nd ed. 1995
consumers and penetrate more market. It also helps to identify the gaps in shaping their desires and demands and solves many of the consumer’s day-to-day problems in their purchase.

1.1.1 Purchase behaviour of consumers

The discipline Consumer behavior has been acquired from the various concepts developed in other disciplines of study like psychology, sociology, social psychology, cultural anthropology and economics. The marketing concept for consumer behavior was accepted and adopted by a large number of companies in the developed countries, particularly in the United States and this provided an impetus to study the consumer behavior. Adam Smith at the end of 18th century mentioned consumption is the sole end and purpose of all production and interest of the producer only. Now it is necessary to all functions for promoting the consumer

The field of consumer’s behavior really began to develop in the early 1960s in the developed countries, when the Ford foundation conducted few years of study to the state of knowledge of marketing in American Business School. Companies had engaged in extensive marketing research to recognize the unsatisfied consumer’s needs. In this process, the business people have recognized that the consumers are unpredictable as consumers and have very different psychological and social needs, including their physical needs. At present also they are concentrating on cultural, social and personal factors and their influences on consumer buying behavior. Marketers have also discovered that the needs and the demands of different consumer segments differ significantly. They understood that to design products and develop proper marketing strategies that would satisfy consumer needs and demands. They have to first study

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5 Z. S. Demirdjian, et.al “PARADIGM SHIFTS IN CONSUMER BEHAVIOR: A META ANALYSIS”, Proceedings of ASBBS Volume 21 Number 1, pp-221.
about consumers and their consumption related behavior in depth. In this process, market segmentation and marketing concept are helping for the application of consumer behavior theories and models to marketing strategies.

Coming consumer are classified as five roles based on their efforts in purchasing products or services and these roles are a) initiator b) influencer c) decider d) buyer e) user. Nowadays, the retailers look deep into the buying decisions made by customers and purchase pattern of the consumers depend upon these roles. Each role in the process of retail product purchasing and consumption having its unique importance. The behavior of these roles normally influenced by some factors which have been discussed in the next paragraphs

1.2 FACTORS INFLUENCING ON RETAIL CONSUMER BUYING BEHAVIOR

![Figure 3.1: Factors influencing retail consumer buying behavior](image)

The figure 3.1 has depicted that various factors influencing retail consumer buying behavior and those factors are

1. Cultural factors
2. Social factors
3. Personal factors
4. Psychological factors

**Cultural Factors:** Culture influences retail consumer’s behavior through the buying process. It is one of the fundamental determinants of consumers buying behavior. It is distinguished as culture, sub-culture and social class and its impact on purchasing pattern. The study of cultural factors and its influence is the study of culture and sub-culture.

**Culture:** According to Howard and Sheth\(^8\) culture is a selective man made response to experience, a set of behavior pattern and culture is dynamic and continually evolves to meet the needs of society\(^9\). It is learned as part of past and social experience. Culture aspects influencing the lot on Indian retail consumers in many dimensions. In this process retailers are using different strategies with reference to Indian culture.

**Sub-Culture:** Sub culture, is a distinct cultural group that exists as an identifiable segment with a larger, more complex society\(^10\). It has some major categories like Nationality, region, religion etc. Indian consumers are segmented and targeted by the retailers based on the categories as mention earlier.

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\(^9\)ibid
\(^10\)Leon G Schiff man , Leslie Lazar Kanauk “ Consumer Behaviour “ 9 the p 422,
Social Class: In addition to culture and sub culture social class also influences the buying behavior of the retail consumer. Social class is a relatively permanent and ordered division whose members share similar values, interests and behaviors. Research studies carried out in USA and suggested that the influence of social class affiliates is visible on product selection and store selection of retail consumer’s. It determines the factors like occupation, gender and income. As present study discussed the retail consumer behavior, it is important to know about social determinants and their influences on buying behavior. The impact of these variables is high on purchasing pattern of food and grocery in retail.

Social Factors: Consumers behavior is also influenced by social factors which include reference groups, family, roles and status and those are discussed in the coming lines.

Reference Group: The concept of reference group was originated by Hyman in 1942 to describe the kind of group used by an individual as a point of reference for his own judgment, belief and behavior and it will affect the level of aspiration and type of behavior through establishing conventional patterns of personal expenditure. An understanding of the points of reference of the target consumers of company’s products is very relevant in formulating effective marketing strategies. Normally in retail purchases, women are considered as reference group and with the changing lifestyle, urbanization in some families other members also considered.

Family: The family is a major influence on the consumption behavior of its members; it is also the prime target market for most products and product categories. There are two types of

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families: nuclear families and joint families. Increasing nuclear families are affecting on total retail volume i.e. purchasing power of the Indian retail consumers are increasing with this effect.

**Roles and Status:** A role consists of the activities people are expected to perform according to the persons around them and it carries a status reflecting the general esteem given to it by society. The influence of roles and status are minimal in buying behavior of retail consumer. They are purchasing the products mostly for needs and wants only.

**Personal Factors:** Each retail consumer has distinctive personal factors like age, life cycle stage, occupation, income, life-style, and its influence will be discussed in coming lines

**Age and Life-Cycle Stage:** Consumers s age is important decider in purchasing pattern and has direct effect on the choice of goods. Marketers often define their target markets in terms of different consumer segments and family life cycle stage and develop appropriate products and marketing plans for each stage and segment.

**Income:** Income is a key factor which influences Retail consumer buying behavior. The kinds of products purchased by the consumers depend on their income. Other things being equal, more the income more the purchase of the goods. With different income levels consumers purchasing pattern also varies in retail in India.

**Life-Style:** Life style is a person’s pattern of living as expressed in his or psychographics .It is the expression of the ways consumer chooses to spend time and money and how tastes and preferences reflected in consumption choices. Marketers identify regional differences in product and service preference. Based on the life-style of consumers’ the retailers are formulating different strategies to gain the market.
The psychological factors like motivation, perception, learning, beliefs and attitude also influence Retail shopper behavior. They are given as under:

**Motivation** The factor motivation focuses on the need aspects of consumers. Its influence is high when consumers see something as personally relevant. Other things are seen as relevant because they relate to our needs, values and goals, because they are seen to entail considerable risk or because they are inconsistent with prior attitudes.

**Perception:** Perception is the process by which individuals select, organize, and interpret information into a meaningful and coherent picture of the world. It has strategy implications for marketers because consumers make decisions based on what they perceive, rather than on the basis of objective reality.

**Learning:** Learning theories stressed that most human behavior is learned. Learning occurs through the interplay of drives, stimulus, cues, responses and reinforcement. Learning describes changes in an individual behavior arising from experience. The practical significance of learning theory for marketers is that, they can build up demand for a product by associating it with strong drives using motivating cues and providing positive reinforcement\(^\text{15}\).

**Beliefs** People have certain beliefs towards certain products and services. They acquire this through doing and learning. Belief is a descriptive thought that a person has about something. Marketers are interested in the belief that people formulate about specific products and services, because these beliefs make up product and brand images that affect buying behavior. If some of

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\(^\text{15}\) Ibid p 1823
the beliefs are wrong and prevent purchase, the marketer want to launch a campaign to correct them\textsuperscript{16}.

**Attitudes:** Attitude is a person’s consistently favorable or unfavorable evaluation of feelings and tendencies towards an object or an idea. Attitudes are difficult to change. A person’s attitudes may fit into a person and to change this may require difficult adjustments. Thus, a company is supposed to try to fit into existing attitudes rather than attempts to change attitudes. Attitude researchers traditionally assumed that attitudes were learned in a fixed sequence, consisting first of the formation of beliefs (cognitions) regarding attitude object, followed by some evaluation of that object (affect) and then some action (behavior) depending on the consumer’s level of involvement\textsuperscript{17}.

### 1.3 THEORIES OF CONSUMER BEHAVIOR

The study of theories of consumer behavior is necessary to know the consumer and environment such as Economic, social, culture etc. besides to this the theories of consumer behavior provides information about experience and personality.

The significant theories of consumer behavior can be grouped as (a) economic theories, (b) psychological theories (c) psycho-analytical theories and (d) socio cultural theories. These theories are based on the basic law of consumption i.e. when aggregate income increases, consumption also increases. The theories are based on the following assumptions 1) Individuals spending habits remain constant, 2) stable political situation in the country and 3) the nation’s economy is free and fair.

\textsuperscript{16} ibid
\textsuperscript{17} ibid
Economic theories

The economic theories on consumer behaviour focus on how consumers allocate their income and how this determines the demands of various goods and services. The basic economic theories include marginal utility theory, psychological law of consumption, absolute, relative and permanent income hypothesis, etc. and are discussed in the coming lines.

Marginal utility theory was developed by classical economists. According to them, it examines the increase in satisfaction of consumers’ gain from consuming an extra unit of a good. As consumers’ income increases, the purchasing power also increases. Economists hold that man is rational in all the activities and purchasing decisions are the result of economic calculations. Again it includes law of diminishing marginal utility and Law of Equi-marginal utility. Diminishing marginal utility is the fundamental law of consumption and it explains that the additional satisfaction a person derives from a given increase of his stock of a thing diminishes with every increase in the stock that he already has. According to H.H. Gossen, Equi-marginal utility is that person can get maximum utility with his given income when it is spent on different products in such a way that the marginal utility of money spent on each item is equal.

1.3.1 Psychological theories

The essence of psychological theories (learning theories) lies in the fact that people learn from experience and the results of experience will modify their actions in future occasions. The importance of brand loyalty and repeated purchases makes learning theory more relevant in the

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18 http://www.economicshelp.org/blog/glossary/marginal-utility-theory/
20 ibid
field of marketing. Among the learning theories the most notable are stimulus response theories and cognitive theories.

1.3.2 Psycho-analytical theories

The concept of psycho-analytic theories is developed from the thoughts of Sigmund Freud. He postulates that personality has three basic dimensions, the id, the ego and the super ego. It follows that the consumer behavior is a function of the interaction of these three systems. Here the id urges an enjoyable act, the super ego presents the moral issues involved and the ego acts as the arbitration in determining whether to proceed or not\textsuperscript{21}. This has led to motivational research and has proved useful in analyzing buyer’s behavior.

1.3.3 Socio cultural theories

The credit of formulation of this theory goes to Thorsten Veblen\textsuperscript{22} and is known as Veblenian model. He asserts that a man is primarily a social animal and his wants and behavior are largely influenced by the group of which he is a member. He argues that people have a tendency to fit in a society in spite of their personal likes and dislikes. Culture, sub culture, social classes reference groups, family are the different factor groups that influence the consumer behavior.

All the above mentioned theories give guidelines to the marketing managers, how retail consumers behave in a particular situation and what are the factors which influence their decision making process. In depth knowledge on theories of consumer will help a retailer in performing his/her business efficiently and effectively.

\textsuperscript{21}Dr.N.Rajan Nair and Sanjith R. Nair (1998) Marketing, Sultan Chand and Sons, p198

\textsuperscript{22}ibid p191-198
1.4 BEHAVIOR MODELS OF CONSUMER DECISION

The consumer behavior models provide better insight to the marketers for taking important decisions regarding various marketing mix elements. It describes the various factors that influence consumer buying behavior, specifically with reference to Indian consumers. These models are broadly classified as 1) Traditional Models and 2) Contemporary models. The contemporary models includes a) Economic model, b) Nicosia model c) Howard- Sheth model d) Engel Kollat Blackwell model e) Sheth- family decision making model f) Bettman’s information processing model of consumer choice. Among the various consumer behavior models, the most important are Economic model and Howard Sheth model.

1.4.1 Economic Model

The Economic model of consumer behavior is one-dimensional. This means that the buying decisions of a person are governed by the concept of utility. Being a rational man, the consumer will make his purchase decisions with the intention of maximizing the utility/benefits. It is based on the changes in the price of the product like discounts offered substitution effect of the products and income of the consumer.

1.4.2 Nicosia Model

The Nicosia Model emphasizes the influence of the product as well as the services offered by the marketers rather than the conventional factor. The model focuses on the relationship between the firm and its potential consumers. It suggests an interactive design where the firm tries to influence the consumers and the consumers by their actions (or interaction) influence the firm. Nicosia model explains mainly four areas like 1) consumers and firm attributes 2) search, evaluation, undertaken by the consumer to get a product 3) it explains how...

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customers actually buy the product it conveys the benefits of the purchased products and feedback system

1.4.3 Howard-Sheth Model

This model distinguishes the three levels of learning viz., Extensive Problem Solving, Limiting Problem Solving and Routinized Response Behaviour. Extensive Problem Solving (EPS)\(^\text{24}\) takes place when the consumer’s knowledge and beliefs about the brands are very limited and the consumer actively seeks information concerning a number of alternative brands. When the consumer’s knowledge and beliefs about the brands are only partially established and he is not able to assess the brand differences completely, Limited Problem Solving (LPS) take place. Routinized Response Behaviour (RRB) occurs when the consumer’s knowledge and beliefs about the brand and its alternative are well established and the consumer is predisposed to the purchase at one particular band.

Characteristics of three stages of decision making:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Amount of information need prior to purchase</th>
<th>Speeded done</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>Great</td>
<td>Slow</td>
</tr>
<tr>
<td>LPS</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>RRB</td>
<td>Little</td>
<td>Fast</td>
</tr>
</tbody>
</table>

1.4.4 Engel Kollat Blackwell Model

The model identifies the task of decision process as problem recognition, search, alternative evaluation, purchase and outcomes. Information from marketing and non-marketing sources feeds into the information processing section of the model which has its initial influence of the problem recognition stage of decision making process. The consumer then will process the

\(^{24}\) Ibid p. 119-120
information which consists of consumer response, attention, comprehension, perception, yielding/acceptance and retention of incoming marketer and marketing information.

1.4.5 Sheth- Family Decision Making Model

This model suggests that joint decision making tends to prevail in middle class – newly married families and those who are close knit with few prescribed family roles. In terms of product specific factors, it suggests that joint decision making is more prevalent in situations of highly perceived risk or uncertainty, when the purchase decision is considered to be important and when there is ample time for decision making²⁵.

1.4.6 Bettman’s Information Processing Model of Consumer Choice

This model brings the concept of consumer process information. It emphasizes that consumer’s information processing capacity is limited and they rarely undertake complex analysis of available alternatives. It also suggests that the consumer normally adopts simple decision strategies. This will enable the consumer to arrive at a choice after having complete analysis of available alternatives²⁶.

Most of the models present factors influencing buying behavior in a hierarchical and simplified way for example countries like India the power age is are very important and certainly dominates other factors such as social class²⁷.

1.5 CONCEPTUAL MODEL OF CUSTOMER EXPERIENCE IN RETAIL

Conceptual Model of Customer Experience Creation, developed by Verhoef et al²⁸ and these people explained customer experience buying behavior in retail stores.

²⁵Ibid p.120-122
²⁶Ibid p 121-123
As shown in Figure 2.2, there are several determinants or factors of the customer experience, including social environment, service interface, retail atmosphere, assortment, price, customer experience in alternate channels, retail brand and previous customer experience and it explains how these determinates are playing their role in customer experience in retail.

Besides to the above factors of customer experience, the retail customer experience has been influenced by situation moderators and consumer moderators. A brief description about the factors of customers, experience have been discussed in the next paragraphs.

Source:

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Besides to the above factors of customer experience, the retail customer experience has been influenced by situation moderators and consumer moderators. A brief description about the factors of customers, experience have been discussed in the next paragraphs.

Source:
**Social Environment:** social environment is one retail element, which is in the direct control of the retailer. It includes reference groups, reviews, service personnel etc. the factors influence on customer\(^{29}\).

**Service Interface:** It refers to the interaction between the customer and the service person throughout their entire experience with the retailer\(^{30}\). The employees are the key ingredient in any branding effort. It is the actions of employees inside an organization that feed the experience to those outside it.

**Retail Atmosphere:** The retail atmosphere has a significant impact on the purchase behavior and perception of the retail consumer. Colour, design etc. can all influence whether or not a customer chooses to patronize a retail store and time and money is spent in the retail unit. The store atmosphere of a retailer can also have an effect on how the customer perceives the quality of merchandise as well\(^{31}\).

**Assortment:** Assortment can be described as the ability of the retailer to offer a wide range of products to the customer with variety, uniqueness, and quality\(^{32}\). Retailers have to choose assortments in order to flexible customer desires and demands and social conditions. Customer’s desire flexibility in their choices and demand are an array of products to choose from in order to meet their ever-changing goals, needs, and social situations\(^{33}\). The researchers even opined that


\(^{30}\)Nancy M. Puccinelli, Ronald C. Goodstein et.al (2009), Customer Experience Management in Retailing: Understanding the Buying Process, Journal of Retailing, Published by Elsevier In


larger size assortment will give benefit to the customers by providing them numerous alternatives to fulfill their desires.\(^{34}\)

According to Verhoef et al\(^{35}\) the factor of price in the concept of customer experience is defined by the way customers perceive loyalty programmes and discount policies. Relationship marketing tactics, such as loyalty programs, company credit cards, and e-mail promotions are becoming increasingly popular. Benefits offered to a customer for engaging in relational exchanges include decreases price, special offers, personalized attention, and customized products.

According to Neslin et al\(^{36}\) when more number of channel options is available to the consumer, they may use and rotate different channels and thus experience of one channel is most likely to affect the experience in the other channel. At present scenario in multichannel context, the online channel experience as alternative channel to traditional channel and vice versa

The retail brand is an important element to consider when attempts are made to understand the creation of the ultimate customer experience. There are two types of brands considered by the customer, the retail brand (e.g. Wal-Mart) and the brand sold within the store (e.g. Coca-Cola). In turn, the customer’s behavior can be influenced by their perception of the specific brand and the type of brand. Some studies emphasizes the importance of the customer’s previous experience in subsequent responses to the purchase.


The research has made an attempt to study the consumer decision behavior based two models suggested by him.

1.6 CONSUMER DECISION BEHAVIOR BASED ON RETAIL STORE INFORMATION AND STORE ATTRIBUTES

The above figure 3.3 explained the consumer decisions behavior model based on retail store information and store attributes. The model clearly identifies and classifies retail store information factors and store attributes factors that affect the consumer decision process. Retail Store information factors are established to provide full length of information about the retail/store to the consumer which in turn help him/her in his/her decisions making. The retail store information attributes includes

Figur 3.3: Consumer decision behavior Model based on Retail store information and store attributes
• convenient store location
• convenient accessibility
• convenient operating hours
• Availability of good quality products
• Store brand available at reasonable prices,
• Friendliness of sales personnel
• Offering personalized services
• Fast checkout lines and prompt service,
• Credit card facilities,
• Store design and layout
• Store ambience and cleanliness,
• Parking facilities,
• Easy return purchase policy

Each retail store information elements is having own importance in customer decision process and these are briefly explained in the next paragraphs.

Convenient store location: The location of a retail store plays a vital role in its success. In fact, it is an integral part of the retail strategy as the location of the store conveys a lot about its image. The retailer must ensure it as early as possible for shoppers to get the store. A central location can reduce the transaction costs associated with shopping (e.g., transportation cost, time spent) and enhance customer experience.

Convenient accessibility: it is important for any retailer to deliver highly convenient, need based retailing that addresses current consumer preferences. Convenient accessibility plays a high role to the present study and it influences on consumer decision process.
**Convenient operating:** Consumers can purchase at their convenient time and it should match operating hours of the store, this is one of the factors that affect their decision to purchase. Recently many state governments review their retail policy and with this effect retailers can open their shop for 365 days and also permitted for more number of operating hours.

**Availability of quality products:** Retailers should have quality philosophy to provide quality products to gain the consumers toward the store. Consumers also giving their priority based on the availability of a quality product in a retail stores. It is quiet important for the outlets that have quality philosophy to meet customers’ expectations towards quality of the retail product. For the present study, interestingly the perception of the people towards good quality products is less when compared to convenient accessibility.

**Store brand available at reasonable prices:** The retail brand is an important element in order to understand the creation of the ultimate customer experience. There are two types of brands considered by the customer, the retail brand (e.g. more cola) and the brand sold within the store (e.g. Pepsi). In turn, the customer’s behavior can be influenced by their perception of the specific brand and the type of brand (Verhoef et al 2009). Consumers are seeking some interest towards store brands also as it is branded or unbranded and retailers are concentrating in this area and introducing new store brands with less price than consumer brands.

**Friendliness of sales personnel:** The interaction between the customer and the service person impact a lot on customer satisfaction. It leads to growth in sales volume. The present study is carried out with the assumption that an excellent service interface would impact customer experience positively.

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Offering personalized services: Consumers not only expect, but expect a personalized experience. Number of surveys report that 78 percent of the consumers are more likely to be a repeat customer if a retailer provides them with targeted, personalized offers\(^{38}\). To the present study also consumers are expecting personalized service from the retail stores.

Fast checkout lines and prompt service: They should have an environment where the consumers are always pressed for time, easy to shop and pay the bill. Some retailers are facing a problem with fast checkout lines in busy hours and weekends. So the present study deeply concentrates on this variable and its influence on buying behavior.

Credit card facilities: Payment is often viewed as merely the concluding step in the purchasing process. The payment experience should be at the heart of the integrated retail strategy. Consumers are now replacing existing dominant payment methods such as cash. However, both alternative and traditional payment methods have their own distinctive advantages\(^{39}\). The researcher observed that most of the retail stores are providing both kind of facilities but majority of the consumers’ preference is with plastic money.

Store design and layout: Store design should attract customers, enable them to locate merchandise, make the people walk into the stores, motivate them for impulse buying and ultimately provide them with a satisfied customer experience.

Store ambience and cleanliness: Consumers’ focus has been shifting from product attributes to store atmosphere and ambiance to select a store. A pleasant atmosphere of the retail store is one of the elements which are extremely desired.


\(^{39}\) A report “Ten trends in retailing in the next ten years and their impact on consumer payments”
**Parking facilities:** A major rationale for offering parking spaces in shopping centre is that customers won’t come without them. Retailers believe that most consumers arrive by car and believe free or cheap parking plays a major role in selecting a destination.

**Easy return purchase policy:** For obvious reasons, most stores focus on practicing good customer service definitely to enhance sales. But customer service doesn’t end once a purchase is made. The return, that moment when the customer effectively tells the store that the sales transaction was a failure, that they found something better, or a better price, is a test for retailers. In this study the researcher consider the importance of the retailers’ purchase return policy towards customer satisfaction in connection with purchase returns.

1.7 CONSUMER BUYING PREFERENCES MODEL BASED ON 4P’S ATTRIBUTES & SERVICE ATTRIBUTES

1.7.1 Store attributes in selecting food and grocery

The figure 3.3 represents the opinions of consumers like well-known brand means good quality, Shopping the stores wastes my time, I shop where it saves my time, I try to stick some brands, I usually buy from the nearest store, Local stores are convenient to shop, Local stores provide good service, Price indicates the quality of the product, Lower price is attractive factor in selecting a store, I would discuss with others before selecting a store and their influences on purchase behavior.

**A well-known brand means good quality:** From the Consumers point of view brand is the symbol of quality, it may be international, national, local or store brand. But, at present there is revolution of private labels by the retailers. According to Crisil 15- 20 percent gross margin
Pertaining from private labels in organized retailing, consumers and retailers are giving preference for both branded items and these private labels.

**Shopping the stores wastes my time**: Though the retailers are good in store facilities, customer’s preference on those factors is less and spends as usual

“I shop where it saves my time”: Consumers prefer the nearest available stores that saves their valuable time, because to avoid traffic jams, minimize the consumption of fuel and to allot sufficient time to work on the predetermined assignments.

**I try to stick some brands**: consumers are giving some sort of preference to brand loyalty in Food and grocery sector also.

**I usually buy from the nearest store**: Mentioned above most of the consumers are giving preferences to select and purchase the goods to their nearest destiny.

**Local stores are convenient to shop**: Local kirana stores are convenient to shop for the consumers, based on some factors like free home delivery, more operating hours, credit sales availability and retailers loyalty. But the emergence of modern retailing in India, consumers store choice changes drastically and even with the evolution of e-commerce. Based on the PWC survey 65 percent consumers’ prefers online retailing for convenience.

**Price indicates the quality of the product**: According to marketers opinion price resembles with quality of the product and lower price is an attractive factor in selecting a store may be organized or unorganized. It is one of the major influencing factors on consumer decision making.

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40Crisil ratings.
41Pwc ,Total retail- feb2016 “They say that what a revolution”
I would discuss with others before selecting a store: The impact of reference groups like family members, friends, relatives and colleagues etc. is little on consumer decision to select a particular outlet. Mostly they rely on either family members or friends.

**Figure 3.4: Consumer Buying Preferences Model based on 4 P’S Attributes and Service Attributes**

As shown in the above figure 3.4, there are five factors including product attribute, price attributes, place attributes, promotion attributes and service attributes and how these factors are influencing on consumer decision making will be discussed in the coming lines.
1.7.2 Product attributes

Product attributes are playing major role in attracting consumer to the store such as availability of large assortment, freedom in choosing products, availability of loose products, packaging, maintains quality, fresh products and accessibility of the products.

Modern consumers are happy when availability of products and have sufficient freedom in selection (as their choice) of the variety of products and brands. Empowering consumers to buy their desired quantities from the stores is an important practice in retailing and all kind of formats are applying this as their basic strategy to attract customers.

The product packaging can play an important role in the success of the sales of the product and it also differentiates one brand of product from another brand. Especially in retailing packaging role is crucial and some kinds of customers are motivated by attractable packaging also. In the present study consumers felt retailers have concentrated a little bit on packaging of the products.

In the competitive environment retailers have to improve in providing product or service quality to the customers from time to time. In addition to improving service quality, improving product quality is also needed. It is not only competitive advantage to the retailers and improving product quality is the prime concern to firms.

Accessibility of the products and fresh products are attracting more number of customers towards the retail store.

1.7.3 Place attributes

As Product attributes, place attributes also influencing a lot on consumer decision making towards the store, such factors as sufficient parking facility, convenient place, store ambience,

etc. and will be discussed in the coming lines. Retail store image has been shown to play an important role to the sales volume, and it is widely accepted that behavioral factors have a significant role in store image formation. Retail image creates both perceived image and personal values\(^{43}\). Sufficient parking facility is required for the consumers to purchase goods from a respective outlet. In India majority of the malls have car based parking, so they have to concentrate on remaining mode of transportations also including auto. In the study area also it is a big issue for the customers to park their vehicles and collect them. Convenient place or location of the store is a major decision factor in purchasing the goods and it also minimizes consumers’ transportation cost, it is convenient to shop according to their convenience. In the study area also both organized and unorganized retailers are opening their outlets near to the premises of the colonies. Store ambience is not just about elevation or some kind of lighting, it is the connectivity between retailer and customer in different dimensions. Retailers always strive to give a well shopping experience to the consumers over and done with creating a well store infrastructure which include physical and digital infrastructure\(^{44}\). As changing phenomenon of Indian consumer, they are giving more priority for hygienic factor and retail outlets should contain with clean and tidy surroundings. Store layout is one of the attractable factors that can motivate customers; it includes size and internal and external environment of the store.

1.7.4 Price attributes

Like above discussed factors price attributes have its part in the influence of the consumers and those factors are discount pricing, credit sales, convenient payment terms, error free billing etc. Retailers use demand of discount pricing to sell low-priced products in high quantities. To apply this strategy, it is important to reduce cost of remaining things and have


\(^{44}\)Retrieved from a report of Deloitte” Technology in Retail: From centre stage to supporting player”
good negotiations with the suppliers. Global retailers, organized retailers and few large size local kirana people are also getting demand price discounts from suppliers and make a discount pricing strategy effective. So these retailers are a puzzle for remaining retailers with this strategy. Whereas, the local retailers are rely on credit sales in the lower income segment. These retailers are familiar in their locality and have a strong association with the local community. Recently organized retailers also adopting this as their primary strategy and framing like credit terms (more) and it is good sign for the consumer to have affordable purchase in this the convenient Payment terms is the other thing where the consumers are satisfied more, price attribute under currently influenced by error free billing tells about the good will of the store and retailer. If errors are many customers can move to another store and he promotes to others also. Retail stores should maintain multiple modes of payment feasibility like having credit/debit card acceptance, food coupons and as usual cash.

1.7.5 Promotion Attributes
Promotion is the key aspects of business today, so how much it influences on consumer purchase patterns are discussed below.

An attractive display is the first encounter to sales and the surrounds around it should be clean, including this providing sample of the products to the customers also a good effort in the promotion of the product. Most of the Indian retailers are concentrating create awareness about their products and they are not doing it properly. In spite of that Government bodies are creating awareness about quality of the products, price and consumer rights. So retailers take a step ahead to provide awareness about all features of the products. Retailers have to provide samples in-store, door to door, and magazines and newspapers. Though the retailers are using different channels to provide sample and attract consumers, the response is minimal. At present scenario
a few of the customer prefer for consumer refreshments also. Retailers should not ignore the importance of some channels of promotions such as advertising, personal selling, publicity and sales promotions.

1.7.6 Service Attributes

In the service dominated world, the impact of this attribute has shown high influence on consumer preferences and the influence of this factor on purchase decision making discussed in the next lines.

Most of the consumers are purchasing the goods from the stores in concern with the free and enhanced home delivery. e-retailers are taking it as their advantage, providing free home delivery as their convenient schedule. Generally local kirana people have this kind of facility and now organized stores like convenience (more), supermarkets are providing home delivery.

Exchange of the damaged goods is psychological relationship between consumer and retailer. Retailers are providing replacements for damaged goods, but in some cases the replacement will make with different goods. In the recent days Self-service is a new trend in both organized and even unorganized retailing, with this consumers are enjoying shopping while selecting the products, based on their interest. By this mode of Self Service consumer can get a knowledge and experience of the merchandise and assortment of a retail store that in turn differentiate one retail store with other retail stores.
1.8 INTERNATIONAL CONSUMER BEHAVIOR

Consumer behavior may differ from time; place and geographical location. India’s retail consumers are motivating towards foreign players like Metro, Wal-Mart etc. And these players contribution to Indian retail is growing at rapid pace. Metro plans to add 50 whole sale stores in India by 2020. Likewise Wal-Mart also expands its operations as sole. Tesco is investing around USD 110 millions in India for the year 2016. Furniture retailer IKEA opened its outlet in Hyderabad and plans to open 25 more store over next 10 years. US-based outdoor and adventure wear retailer is opening 25 stores in India. Consumer behavior may vary from time to time, place to place and country to country. Though the companies are operating within country also, it is difficult to understand the behavior of the consumers. Although companies in different countries may have something in common, their culture, values, attitudes and perceptions towards products and services are different. Sometimes the differences are obvious and some times more stable. Cultural differences are also important across the borders. The culture varies in terms of their product preferences and they make sure that their market plans and programs should able to meet the unique cultures and needs of consumers in various markets. On the one hand, they want to standardize their offering in order to simplify operations and take advantage of economies of scale and on the other hand, adopting marketing efforts within each country results in products and programs that better satisfy the needs of local consumers. Therefore, before the marketer there are two options either to adopt a standardized strategy or to have a localized strategy. To overcome this Global retailers are following Glocalization strategy that includes both of above mentioned strategies. Use of social media

\[45^\text{Tech Sci Research, IBEF report – sep.2016.}\]
marketing in Indian retail environment /business is of such out comes in short marketers who deal with consumer behavior across international borders face certain additional challenges than in the national market. The differences of consumers in terms of values, altitudes and behavior call for the significant changes in products and marketing programs in order to be success in international markets.

**1.8.1 Consumer behaviour in India**

As a researcher it is important to study about consumer behavior in India. Hence he has made an attempt to describe the consumer behavior in India in the next few sentences.

The Indian consumers are noted for the high degree of value orientation and quiet different than the customers elsewhere. Such orientation to value has labeled Indians as one of the most discerning consumers in the world. So organizations have to flexible in changing their strategies to meet the customer once again. Indian consumers have a high degree of family orientation. This orientation in fact, extends to the extended family and friends as well. Products or Brands with identities that support family values tend to be popular and are accepted easily in the Indian market. The role of history and tradition in shaping the Indian consumer behavior is quite unique. Perhaps, India only both traditional and modern products are available only in India, hair oils and tooth powder exists with gel and toothpaste.

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46 Prof. NehaLakhotia “Glocalisation Strategies Being Employed in Indian Retail Sector during the times of Crisis”, SIBM, vol-IV, mar 2012
1.8 CONSUMERISM - IMPACT ON CONSUMER BEHAVIOUR

“Consumerism involves the activities of government, business and other organizations to protect people from practices infringing upon their rights as consumers”. The survival and growth of business concern is purely depends upon consumer. According to all marketing experts or researchers, consumer is in driver seat and he has the choice to drive the vehicle, in reality he has the follow the rules and guidelines by others.

He pays more to get the products and returns are less in reality. He is one to suffer from acute shortage of essential commodities. Shortage in weight and measurement, deceptive and misleading advertisement, cartels, profiteering and deficient services are adopted by retailers.

The initiator of bill of consumer Rights of the consumer is Mr. John F. Kennedy. Who worked as president of USA and that day is celebrated as world consumer’s day\textsuperscript{47}.

He proclaimed the four basic rights of consumers they are, right to safety, right to choose, right to information and right to be heard. The International Organization of Consumers Union held at Hague added three more rights of consumers i.e. right to redressal right to Consumer education and right to healthy environment. According to Americans Disability Act (ADA)\textsuperscript{48} a person with disabilities should provide appropriate facilities in the store like in entrance, vertical transportation and store display.

Consumerists’ groups seek to increase the amount of consumer information, education, and protection. Consumerism is a national problem afflicting every section of the society, men and women whether old, youth or child, rich or poor, rural or urban literate or illiterate. Consumer protection is a form of social action, which is designed to attain the wellbeing of one

\textsuperscript{47}http://legalgensis.blogspot.in/2013/10/john-f-kennedy-and-world-consumer.html

\textsuperscript{48}ADA” open to interpretation chain store” p 110, consumerism in retail management
group within a society namely the consumers. It evolved India and its occupation is very less, especially some urban and educated people only have such kind of interest in it. The movement has taken up lead in India during recent years.