5. FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 Findings

The following findings are drawn from the analysis:

- Most of the respondents are male (78%) and rest of them are female (22) purchasing from organized retail stores. Whereas it is observed that 57.1 percent of male respondents and 42.9 female respondents are the customers of unorganized retail store.

- Regarding marital status of the respondents, it is discovered that most of them (74.8%) were married and 25.2 percent were unmarried purchasing from organized retail stores. On the other hand 88.4 percent respondents who have married and 11.6 percent who are unmarried are purchasing from unorganised stores.

- It is observed that the majority of the respondents in both organised and unorganised categories belong to 31-45 age group which is 47.2 and 47.6 percent, respectively. Whereas 26.5 percent of the respondents from organised category and 21.6 percent from unorganised belong to 19-30 years. Likewise 26.2 percent of the respondents are belongs to organised sector and 30.7 percent of the respondents are belongs to unorganised sector have been in the age of above 45 years.

- It is concluded that majority of the respondents’ is (64.4 percent of organised respondents and 45.1 percent of unorganised) educational qualification is graduation. It is interesting to observe that next to graduation 14.4 percent of the unorganised consumers are illiterates whereas none of the organised respondents found in this segment. Whereas, in
organised category, post graduates occupy 25.2 percent which is next highest to graduates.

- It is observed that majority of the respondents in both organized (43.4) and unorganized (43.9) categories are private employees. It is interesting to observe that only 0.90 percent of the respondents are business people in unorganized category whereas, in organized category, business people occupy 25.6 which are next highest to private employees.

- It is observed that 68 percent of the respondents who are purchasing from organised retail stores have monthly income range of Rs. 30,000 and above. Inversely, only 11.6 percent of the respondents belongs to this income range are purchasing from unorganized retail stores. Most of the respondents (54.2 percent) purchasing from unorganized retail store fall in income range of Rs.20,001 to 30,000. It is also surprising to study none of the respondents from organised reported to have income range of below 10,000 whereas, 23.2 percent of the respondents from unorganised category have reported in this income range.

- It is observed that, 47.9 percent of the respondents from organised and 45.5 percent respondents from unorganised have the family size of less than 3 members followed by 32 percent and 44.2 percent who belong to the segment of 3 to 5 members in their family.

- Most of the respondents (79.9%) who are purchasing from an organized retail store and 89.7 percent of the respondents from unorganised category are having nuclear families.

- It is observed that most of the respondents from organized (53.7%) and unorganized (76.8%) categories are of middle income group. It is also noticed that in upper class
segment, 46.3 percent of the respondents from organised category and only 7.20 percent of the respondents from unorganised category which means most of the respondents who belong to upper class would prefer to buy from organised stores.

- Most of the respondents are purchasing from less than 5 years from a particular retail outlet, it means that either from organized or unorganized retail store. Based on this it has been observed that 59.9 percent of the respondents from organised category and 46.4 percent of the respondents from unorganised category are buying from less than five years.

- A mixed result is seen for the frequency of visiting the store for food and general items in a month. 28.5 percent of the respondents from organised category visit the store twice in a month whereas, 36.4 percent of the respondents from unorganised category visit the store thrice in a month to get the item.

- A majority of the respondents (68.6%) from organised category and 60.5 percent of the respondents from unorganised category would have the need to travel 1 to 5 kilometres to get the desired products. It is also found that, 9.7 percent of the respondents from organised category have been travelling more than 10 kilometres to get the desired products, whereas, none of the respondents from unorganised category would come under this segment.
• The maximum respondents (46.3%) who are visiting the organized retail stores are using two wheelers as mode of transportation. Whereas it is observed that 55.1 percent of the respondents are visited unorganized retail stores by foot as these stores are usually located in arm’s distance.

• The maximum respondents in both organized (39.2%) and unorganized (44.5%) are the average amount spent is Rs. 500 to Rs. 1000 during their visit to the store for items.

• It is observed that a majority of the respondents (319 totals) from unorganised category have also showed their interest to purchase from organized retail store (80.3% of 319). Likewise of total 309 respondents from organised category, a major 84.0 percent of the respondents would also like to buy from unorganised category. It reveals that most of the respondents prefer to purchase from both categories based on their choice of product and convenience.

5.1.1 Statistical Results

• The relation between Gender and Selection of Retail formats (both organized and unorganized) is good as the chi-square value as high as 21.85 and the significance is .000** which means there is significant difference in selecting a particular retail format in context of the gender of the respondent.

• The relation between marital status and Retail formats is having a significant association too, as the chi-square value is 19.53 and the significance value is .000**.

• There is a poor association between age and selection of retail formats as the chi-square value is low 2.69 and the significance value is 0.26, hence there is a significant difference
between Age and Selection of a retail format (greater than 0.05) which means the age of the respondents and selection of a retail format are not associated.

- There is significant association between educational qualification and retail formats as the chi-square value is 135.99 and the significance 0.000***.

- The association between Occupation and Retail formats is very good as the chi-square value is very high and the significance value is 0.000***.

- There is a significant association between Monthly income of the respondents and retail formats as the chi-square value is 242.414 and the significance 0.000***.

- There is significant association between the variables such as ‘Family size’ and ‘Retail formats’ as the chi-square value is 16.07 and the significance value is 0.000***.

- The association between variables such as ‘Type of the family’ and ‘Retail formats’ is good as the chi-square value is 11.54 and the significance value is 0.00**.

- The association is very high for the variables Social class and Retail formats as the chi-square value is 152.81 and the significance 0.000*** which means family size, type of family and social class of the respondents and selection of a retail format are associated.

Thus, there is significant difference in selecting a retail format in relation to socio economic variables of the consumer.

- Preferred outlets and How do you know about retail outlets in your locality are the two variables which are not having good association with the Retail outlets, with significance values being 0.119 and 0.219 respectively (more than 0.05).
- Purchasing pattern such as purchasing from (no. of years), number of visits to the store (in a month), and distance of outlet from residence, mode of transport, average amount spent are having a good association with Retail formats which means purchase related issues of the respondents and selection of a retail format are associated. Thus, there is significant difference in selecting a retail format in relation to buying related issues of the consumer.

5.1.1.1 Paired-t-Test

A paired t-Test was conducted to compare the buying behaviour in organized retail and unorganized retail formats of the study area.

- It is observed that the variables, availability of large assortment, freedom in choosing products, availability of loose products, packaging, maintains quality, accessibility of the products have a significant difference in perception of consumer while choosing between organized and unorganized outlet.

- It is concluded that the variables like, store image, sufficient parking facility, convenient location, ambience, good infrastructure, clean and tidy surroundings, store layout have a significant difference in perception of consumer while choosing between organized and unorganized outlet.

- It is found that the variables like, discount pricing, credit sales, convenient payment terms, error free billing, multiple payment mode, home delivery, exchange of damaged goods, self-service, comfortableness, fast checkouts, convenient operating hours have a significant difference in perception of consumer while choosing between organized and unorganized outlet.
5.1.1.2 Factor analysis

- The factor analytic results depict a completely different structure. The items were redefined and then relocated under seventeen different factors. Among these critical success factors customer accessibility, retail brand, consumer attraction, recreational, hedonic factors and experimental orientation have been considered as major critical factors. However, in the case of promotional factors, variance is below 60 percent. So it is not possible to rotate the matrix.

5.1.1.3 Multiple Regression analysis

- The consumers’ buying behaviour towards retail formats is positively associated with their gender, marital status, educational qualifications, occupation, monthly income, family size, type of format, social class, distance of outlets from the residence purchasing from years and average amount spent in the study area.
- The customer accessibility is positively associated with educational qualifications, family size, often visits to the store, mode of transport, average amount spent.
- The store atmosphere is positively associated with type of the family, retail format, purchasing from, distance of outlet, from residence.
- The consumer attraction is positively associated with educational qualifications, family size, social class, average amount spent.
- The service interface is positively associated with age, gender, marital status, educational qualifications, social class, retail format, visits to the store, mode of transport and average amount spent.
• The **customer involvement** is positively associated with gender, family size, type of the family, purchasing from, and distance of the outlet from residence.

• So the majority of store information and consumers preference factors are positively associated with their gender, marital status, educational qualifications, occupation, monthly income, family size, type of format, social class, distance of outlets from the residence purchasing from years and average amount spent in the study area.
5.2 SUGGESTIONS

The retail environment today is a dynamic one than ever before. Competition is intensifying and shifting to new arenas, and consumers are rapidly evolving their approach to purchase decisions. The following suggestions drawn based on analysis and field observations will help the retail industry in understanding customer buying behaviour and making relevant changes in their retail landscape.

Suggestions in view of consumers

- Private label brands are growing at the rapid pace in retailing. It is showing advantages through bridging the gap between consumers’ expected price and offering price as the private labels are 30 percent lower price than national brands. Therefore, retailers are advised to have a more concentration on offering private labels or store brands which would give them a chance to offer more discounts to the customers.

- Faster service could help retailers in making customers satisfied. Offering speed and prompt delivery should be an integral part of the retail policy. It will not only make customers happy, also increase customer relations.

- Parking is bound to become the most critical success factor for retail business and it is an integral part of the overall offer to the customer. In Hyderabad, parking facility is becoming tinkle in retail business. It is seen as important as cost attributes. In this juncture, it is strongly advised that retailers must offer parking facility, irrespective of the size of the store.
• Technology is the backbone of any retail business. Irrespective of the size of the store, retailers need to look into this. Developing and integrating technology with every aspect of the business like electronic billing, fast check outs etc. are key element of offering customer services. In this regard, it is suggested that the application of technology in conducting retail business is vital element.

• Handling Consumer complaints and dealing upset customer is most important to retain a customer. Listening and understanding consumers will give a chance to retailers in developing effective policies. Implementing consumer feedback system and developing a conflict resolution are important aspects.

• Conventionally, Indian retail market is dominated by the unorganised sector in terms of market share; most of the customer are shifting from traditional shopping patterns to modern retail and having a good shopping experience. In this context, it is strongly recommended to the unorganised retailers to look into the ways to improving customer satisfaction.

• Offering customised services, like easy accessibility, offering loose products, home delivery, maintaining a strong relation with local communities’ are the key success factors of unorganised stores. The store selection process can be influenced by variables like ambiance, facilities and freedom in choosing products etc. Hence, it is highly recommended to the unorganised retailers to look into changing consumer buying trends.

• Every retail store should be able to create their store image. Store image is an imperative function of creating a strong customer base. It is also an important function of marketing which frames consumer perception about the store.
• Dealing with returns be part of the running retail business. Accepting returns which are not so far suitable to the customer should not be taken as risk or cost factor. These can be seen as an opportunity to understand the customers, strengthen relationships and make them as a loyal customer.

• Store personnel attitude and their involvement in fulfilling customer requirement is matters in making consumers feel good about the store. Therefore, friendliness of the employees and their commitment to provide better service can improve the total value delivered to the consumers.
5.3 CONCLUSION

The study examines the buying behaviour of Retail consumers in India particularly in the area of Hyderabad Telangana state. The study has been focused on demographic factors of consumers and their preferences towards store selection, product attributes, price, place, promotion and service while purchasing of retail products in Retail outlets.

The present findings of the Study established to understand consumer behaviour towards choice of retail store to purchase the items based on product, price, promotion place attributes and with the support of academic literature review for the last 10 years tentatively. The retail consumers have no objection to purchase either from organized or from unorganized retail stores, based on situation demand, convenience of store location and the product choice and its features. It means that the retail consumer have cross shopping experience in the research area.

While purchasing, the first choice of the consumer is store format and then move to a particular store when they can save money, time, effort and others. Retail consumers are so particular about the money how much there are spending and value of return.

This type of research study is essentially required due to the frequent changes taking place against the needs and preferences of the retail consumers while purchasing items in retail stores in particular. In connection with retailer, studies like these are more useful to them for product assortment, store space and inventory management in consideration consumer needs and preferences. Consumers also got benefited out this type of studies in terms of understand, retailers concern towards consumers and their strategies to grab the attention to provide better products and services.