A STUDY ON CONSUMER BEHAVIOUR TOWARDS ORGANIZED RETAIL STORES IN BHOPAL CITY

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ABSTRACT

Today, India's retail industry is on a constant growth path. In India, the retail marketplaces are still growing despite everyone's expectations. As India is the world's 5th most preferred shopping destination, increased participation of international and domestic players will lead to intense customer competition. In terms of shopping malls, the retail space is expanding at a rapid pace in Bhopal. Shopping malls and retailers at shopping malls need to be able to attract a larger number of customers to share growth strategies.

This study will contribute to examining consumer behaviour concerning the presence of organized retailers in Bhopal. The main aim of the research is be find out the factors that can help organized retail stores to design a better retail mix strategy for attracting more customers and ensuring their long-term survival. To attain the goals of this study, the researcher has collected Secondary data and reviewed suitable literature. The study conducted in Bhopal city reveals that retail store location and discounts & offers are the most important criteria proffered by consumers to choose the outlet. Consumers are also attracted to buy from an organized retail outlet by a wide range of product characteristics, atmosphere, quick payment process, customer service, parking facilities, and a systematic display.

KEYWORDS: *Organized Retail, Consumer Behaviour, Buying Behaviour, Purchase Behaviour, Retailing.*

INTRODUCTION

The study of consumer behavior revolves around how individuals and groups allocate their resources to seek out goods and services that they believe will meet their needs and desires. Numerous factors influence their decision-making process when it comes to a specific product, service, or brand. Consumers go through a series of steps to determine their preferred product or service.

Therefore, "consumer behavior encompasses the process of decision-making and the physical actions involved in acquiring, evaluating, using, and disposing of goods and services." This suggests that it is not solely about the act of purchasing goods and services, but also involves a process that begins well before the actual acquisition. It is important to comprehend how consumers react to different products. Consumer behavior can be seen as a sequence of stimuli and corresponding responses.

Organized retailers are retail businesses that operate under government-issued licenses and are registered with tax authorities. These retailers include supermarkets, hypermarkets, specialty stores, and chain stores, which are owned and managed by prominent business conglomerates such as Aditya Birla Group, Future Group, Reliance Group, RPG Group, and others.

These retailers may adopt various store formats, such as departmental stores, malls, and specialty stores, to cater to different customer preferences and needs. The range of goods offered by organized retailers spans categories such as food, grocery items, apparel, jewelry, consumer durables, footwear, cosmetic products, home decor, books, and more.

One of the advantages enjoyed by organized retailers is the ability to secure bulk discounts due to their large-scale purchases. Additionally, they can reduce costs by eliminating intermediaries and streamlining the supply chain. This permits them to provide aggressive pricing to customers.

The rapid expansion of the Indian retail industry in recent years can be attributed to the fundamental economic factors in the country. Several key elements have played a tremendous role in driving the growth of the organized retail sector in India. These include the increasing number of nuclear families, the availability of convenient financing options, the growing population of financially independent women who choose to work, and the emergence of new opportunities in the service sector. As a result, there was a great shift in consumer preferences towards organized retail, leading to a steady increase in market penetration.

REVIEW OF LITERATURE

Sharma, A. & Kashyap, K., (2023), The study reveals that customers tend to prefer purchasing food and groceries from standalone businesses, while they opt for buying clothes from malls. The majority of the time, the age, education, profession,

and family size of shoppers have been significant criteria that influence store selection. Additionally, the research explores the desire of shoppers to minimize the effort involved in purchasing by reducing the distance they need to travel.

Chatzoglou, P. et al. (2022), The research model accurately predicts repurchase intentions, with merchandise value being the most important factor. In-store emotions and customer satisfaction also predict repurchase intentions. All consumer behavior, including experience, emotions, perceived value, satisfaction, and loyalty, improves repurchase intentions, urging retailers to focus on collective improvement.

Savale, T. K. et al (2021), discovered that grocery stores have experienced a shift in the retail landscape, offering a more comprehensive shopping experience and reducing costs. Modern retailers have redefined retailing, offering a wide variety of products, discounts, membership cards, and entertainment. Despite challenges, both retailers have upgraded to remain relevant. The industry is experiencing positive growth, benefiting both parties if they can overcome these challenges.

Venkateswaran, P. S. & Sundram, S. (2021), This study explores the impact of retail service quality on customer satisfaction, patronage intention, and word of mouth. It reveals that store service quality significantly influences these factors. The study also highlights the importance of physical aspects, reliability, policy, and personal interaction in influencing customer satisfaction. The results suggest that these factors significantly influence patronage intention and word of mouth.

Pandey, P. & Singh, S. (2020), The study reveals that consumers' attitudes towards organized retail are influenced by credibility, customer loyalty, and service excellence. Store features like display and atmosphere, customer loyalty programs, and branded items attract consumers. Service quality also contributes to purchasing attitudes.

Singh, S. (2020), The study reveals that gender and income are key factors influencing shoppers' choice of organized retail format in the new normal, while promotions, trust, and trained staff are the most important factors. Convenient shopping hours also play a significant role.

Preeti, & Kulshreshtha, M. K., (2018), observed that Consumers' perceptions of organized and unorganized retail outlets vary based on quality and price, influenced by disposable income changes and increased quality awareness. They prefer to purchase goods from both formats, with most respondents favoring organized retailers due to store image, product availability, and price cuts.

Sirohi, R. & Kumar, N. (2018), The study identifies six dimensions for measuring retail service quality in specialty stores in India: Inspiring Confidence, Reliability, Appearance, Problem Solving, Policy, and Courteousness. All six dimensions are statistically significant, with inspiring confidence being the most essential. Policy, problem-solving, and appearance are influential factors affecting customers'

future consumption behavior, aiding merchants in creating effective merchandising strategies.

Raunaque, N., Jibran, S. & Preeti (2017), The study found that customers are attracted to organized stores due to attractive discounts, convenience, store ambiance, and atmosphere.

Tripathy, P. C. & Tripathy, P. (2016), The study reveals gender and marital status significantly influence shopping and convenience product purchases in urban retailing formats, while household income doesn't. Retailers should segment by these factors for better customer satisfaction.

Muneendra, N. &. Mohan Prakash, N.R. (2016), The study found that factors such as large assortment, product choice freedom, packaging quality, store image, parking facilities, location, ambiance, infrastructure, cleanliness, and layout significantly influence consumer perception of organized and unorganized outlets.

RESEARCH GAP
From the above review of literature, it's being observed that most of the studies were conducted in Tier I cities. Hence, there was a need to study the impact of the demographic profile of consumers on their attitude formation towards organized retail outlets in Tier II cities like Bhopal.

OBJECTIVE OF STUDY
To find the impact of consumer demographics on the frequency of visits to organized retail stores in Bhopal city.

RESEARCH METHODOLOGY
A large number of studies have been conducted in the field of consumer buying behavior and organized retail, some of which are still unexplored, but have been studied at different times in different business surroundings and different locations. One of the biggest challenges facing retailers today is dealing with the competition created by the organized retail sector. This study aims to retest the change in consumer buying behavior in organized retail using a questionnaire in Bhopal city.

Research Design: The nature of research design is inferential.

Sampling method: A convenient sampling method was used to collect the primary data.

Sample Size: A sample size of 200 was taken for the study but only 150 questionnaires were useful for the study. Hence, the study is done on 150 respondents from Bhopal City.

Data Collection Tool: Primary data has been collected by the researcher through a standard structured questionnaire consisting of 75 questions.

Sample Area: The population for the study included respondents from Bhopal, Madhya Pradesh.

Statistical Tool: Chi-square test using SPSS 26.0

HYPOTHESIS OF THE STUDY

H_01: There is no significant relationship between the income of respondents and their frequency of visits to organized retail stores.

H_02: There is no significant relationship between the age of respondents and their frequency of visits to organized retail stores.

H_03: There is no significant relationship between the occupation of respondents and their frequency of visits to organized retail stores.

H_04: There is no significant relationship between the education of respondents and their frequency of visits to organized retail stores.

H_05: There is no significant relationship between the marital status of respondents and their frequency of visits to organized retail stores.

DATA ANALYSIS AND FINDINGS

As per data out of a total 150 respondents 96 (64%) were male and 54 (36%) were female.

Table 1: Demographic Analysis of Respondents

Descriptive		Gender		Total	Percentage
		Male	Female		
Age	Below 25 years	29	24	53	**35%**
	25 to 35 years	28	21	49	33%
	36 to 50 years	33	7	40	27%
	51 years & above	6	2	8	5%
Marital Status	Married	53	17	70	47%
	Unmarried	43	37	80	**53%**
Education Qualification	Metric & below	2	1	3	2%
	Under-Graduate	11	8	19	13%
	Graduate	22	13	35	23%
	Post-Graduate	47	30	77	**51%**
	Professional qualification, if any	14	2	16	11%
Occupation	Student	20	26	46	31%
	Business	15	1	16	11%
	Service	47	11	58	**39%**
	Professional	11	6	17	11%
	Housewife	1	9	10	7%
	Other	2	1	3	2%
Monthly Income	Up to Rs.15,000	28	33	61	**41%**
	Rs. 15,001 to Rs. 30,000	19	13	32	21%
	Rs. 30,001 to Rs. 45,000	19	4	23	15%
	Above Rs. 45,000	30	4	34	23%

The table shows that the highest number of respondents (53) were youth of age below 25 years and 53% of respondents were unmarried. This proves that youth is the driving force for the growth of organized retail in Bhopal. Similarly, 51% of the respondents have completed their Post-graduation and 39% said that their occupation service. 41% (61) of respondents out of 150 fall under the category of Rs. 15000/- monthly income.

This gives a clear picture that most youths are attracted to organized retail outlets to purchase their desired products.

HYPOTHESIS TESTING

H_01: There is no significant relationship between the income of respondents and their frequency of visits to organized retail stores.

Table 2: Summary Output of the relationship between the income of respondents and their frequency of visits to organized retail stores.

Chi-Square Tests Summary Output			
	Value	df	P-Value
Pearson Chi-Square	19.226[a]	15	**.204**
Likelihood Ratio	21.456	15	.123
Linear-by-Linear Association	1.268	1	.260
N of Valid Cases	150		
a. 12 cells (50.0%) have expected count less than 5. The minimum expected count is .46.			

The above table exhibits that the P-value (0.204) is more than the value 0.05, so the null hypothesis is accepted. This means there is no significant relationship between the income of respondents and their frequency of visits to organized retail stores.

H₀2: There is no significant relationship between the age of respondents and their frequency of visits to organized retail stores.

Table 3: Summary Output of the relationship between the age of respondents and their frequency of visits to organized retail stores

Chi-Square Tests Summary Output			
	Value	**df**	**P-Value**
Pearson Chi-Square	29.631[a]	15	**.013**
Likelihood Ratio	30.936	15	.009
Linear-by-Linear Association	5.868	1	.015
N of Valid Cases	150		
a. 13 cells (54.2%) have expected count less than 5. The minimum expected count is .16.			

The above table depicts that the P-value (0.013) is less than the value 0.05, so the null hypothesis is rejected and the alternate hypothesis is accepted. This means there is a significant relationship between the age of respondents and their frequency of visits to organized retail stores.

H₀3: There is no significant relationship between the occupation of respondents and their frequency of visits to organized retail stores.

Table 4: Summary Output of the relationship between the occupation of respondents and their frequency of visits to organized retail stores

Chi-Square Tests Summary Output			
	Value	**df**	**P-Value**
Pearson Chi-Square	25.385[a]	25	**.441**
Likelihood Ratio	27.603	25	.326
Linear-by-Linear Association	2.300	1	.129
N of Valid Cases	150		
a. 24 cells (66.7%) have expected count less than 5. The minimum expected count is .06.			

The above table exhibits that the P-value (0.441) is more than the value 0.05, so the null hypothesis is accepted. This means there is no significant relationship between the occupation of respondents and their frequency of visits to organized retail stores.

H₀4: There is no significant relationship between the education of respondents and their frequency of visits to organized retail stores.

Table 5: Summary Output of the relationship between the education of respondents and their frequency of visits to organized retail stores

Chi-Square Tests Summary Output			
	Value	**df**	**P-Value**
Pearson Chi-Square	31.357[a]	20	**.051**
Likelihood Ratio	32.440	20	.039
Linear-by-Linear Association	3.145	1	.076
N of Valid Cases	150		
a. 19 cells (63.3%) have expected count less than 5. The minimum expected count is .06.			

The above table exhibits that the P-value (0.051) is slightly higher than the value 0.05, so the null hypothesis is accepted. This means there is no significant relationship between the education of respondents and their frequency of visits to organized retail stores.

H₀5: There is no significant relationship between the marital status of respondents and their frequency of visits to organized retail stores.

Table 5: Summary Output of the relationship between the marital status of respondents and their frequency of visits to organized retail stores

Chi-Square Tests Summary Output			
	Value	**df**	**P-Value**
Pearson Chi-Square	15.113[a]	5	**.010**
Likelihood Ratio	16.932	5	.005
Linear-by-Linear Association	5.518	1	.019
N of Valid Cases	150		
a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is 1.40.			

The above table exhibits that the P-value (0.010) is less than the value 0.05, so the null hypothesis is rejected and the alternate hypothesis is accepted. This means there is a significant relationship between the marital status of respondents and their frequency of visits to organized retail stores.

CONCLUSION

The research aims to gather information based on demographics such as Age, Income, Marital Status, Education and Occupation of consumers visiting organized retail stores. The study found that respondent's age and marital status have a direct and significant relationship with their frequency of visits to organized retail outlets. Based on the statistics it can be concluded that young aged respondents visit organized retail stores more frequently. Similarly, unmarried/ single respondents visit organized retail outlets more frequently than married respondents. On the other hand, respondents' income, occupation, and educational qualification do not have a significant relation with their frequency of visits to organized retail outlets. Thus, it can be concluded that the income, occupation, and education of respondent do not affect their frequency of visits to organized retail outlets.

The implications of the study can be that organized retail stores will have to formulate effective strategies to attract these youth to their retail outlets. These strategies may be such as offers & and discount schemes, promotional schemes, etc.

These are not the only factors that affect consumer behavior towards organized retail formats, multiple other factors such as product quality, service quality ambiance, nearness to residence, parking facility, convenience in shopping, etc., need to be studied in detail.

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