



## A STUDY OF THE CHANGING CONSUMER BUYING BEHAVIOUR IN ORGANISED RETAILING IN LUCKNOW CITY

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### Abstract:

*The major factor of consumer behaviour in organised retailing is the changing buying behaviour. Various management thinkers have conducted several studies to understand the relationship of buying behaviour and organised retailing. Consumer behaviour is defined as the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. (L.G. Schiffman, L.L. Kanuk, 2005).*

*Consumer buying behaviour is changes due to organised retailing sector which introduce in India in 2000 year. Slowly organised retail flourish in India year after year and till 2008 many malls and other hypermarkets open in many cities of India. In this sector some Indian players took the initiative and open their retail chains. For example Future Group opened Big Bazaar, RPG Group opened Spencer Store, Ruia Group opened Shoppers Stop in many cities*

*Now-a-days employees have been hired, trained and remunerated in organised sector. In this respect the malls and hypermarkets provide job opportunities to many people in the country. The organised retailing changes a lot the “consumer buying behaviour” in the country. Under one roof the whole items related to each category available to the consumers in the shops. Times have changed people want a good shopping experience and this experience they feel in purchasing the products from malls, hypermarkets etc.*

*The purpose of this study was to identify through hypothesis testing how consumer buying behaviour changes in organised retailing. The study was conducted using structured questionnaire on private and public sector employees. Chi- Square technique was applied and chi value was computed to test the formulated hypothesis in order to find relevance of consumer buying behaviour in organised retailing.*

**Keywords:** Consumer Behavior; Buying Behaviour; Organised Retailing; Unorganised Retailing.

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## 1. Introduction

To successfully market to different market segments and for a successful marketing campaign management the marketing manager needs appropriate marketing strategies which he can design only when he understand the factors which account for those differences in consumer behaviours and tastes.

In today's world of rapidly changing technology, consumer tastes are also characterized by fast changes. To survive in the market, a firm has to be constantly innovating and understand the latest consumer trends and tastes. Consumer behaviour provides invaluable clues and guidelines to marketers on new technological frontiers which they should explore. For example, Mobile Phones, Lap Tops, LCD Monitors, etc.

Consumer behaviour is a process, and purchase forms one part of this process. There are various endogenous psychological and exogenous environmental factors which influence this process. All these factors and the type of influence which they exert on an individual's consumption behaviour can be understood and analysed.

## 2. Objectives

The following are the main objectives of the study:

- 1) To asses consumer buying behaviour in organised retailing in Lucknow city.
- 2) To find out the variables on which consumer behaviour depends and examine benefits of shopping in organised retailing.
- 3) To recommend the ways through which the benefits of organised retailing will be enhanced.

## 3. Research Methodology

There has been a lot of study in the area of consumer buying behaviour and organised retailing which still remains unexplored to some extent and yet a general understanding that has not been developed when it comes to studies conducted at different times and in different business environment. One of the greatest challenges that traders face today is how to manage the competition caused by organise retail sector. Therefore, it has become an important area of research that how to reduce competition and improve our services of trading organisations. Moreover it has been observed many times traders who satisfied with their services are still not good performers. This may be because of lack of some amenities which are not be there in the traditional market. The purpose of this present study is to re-test changing consumer buying behaviour in organised retailing using a questionnaire in lucknow city.

As the research is descriptive in nature the study relies on primary data collected from respondents of lucknow. Survey was conducted at Saharaganj, Fun-mal 1, Wave mall (East End mall), Phoenix mall walk- in and we also checked the footfalls of the customers in the stores personally. About 50% are the male respondents and 50% are the female respondents. Primary data has been collected by the researcher through standard structured questionnaire consists of --- -- questions. Sample size of 300 is taken and simple random sampling is adopted.

#### 4. Tool Used: Chi-Square Test

Chi- Square test is applied to test the goodness of fit to verify distribution of observed data with assumed theoretical distribution. Therefore it is a measure to study the divergence of actual and expected frequencies; Karl Pearson’s has developed this method to test the difference between the theoretical (hypothesis) and the observed value.

Chi-Square test  $\chi^2 = (O-E)^2 / E$

Degrees of Freedom  $V = (R-1) (C-1)$

Where,

“O”= Observed frequency

“E”= Expected frequency

“R”= Number of rows

“C”= Number of Columns

#### 5. Interpretations and Calculations

##### Hypothesis

**H0:** There exists no relationship between Connectedness and Consumer behaviour.

**H1:** There exists relationship between Connectedness and Consumer behaviour

##### Test of Hypothesis

Analysis 1

S.No.	Factors	Highly Affected	Somewhat Affected	Unaffected	Can't Say	Total
1	Connectivity	211	56	30	03	300
2	Parking Space	191	59	46	04	300
	Total	402	115	76	07	

##### 5.1. Test of Hypothesis

##### Hypothesis I

**Null Hypothesis (H0):** There exists no relationship between Connectedness and Consumer behaviour.

**Alternate Hypothesis (H1):** There exists relationship between Connectedness and Consumer behaviour.

Table for Chi Square test for Analysis 1

O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> / E
211	201	100	0.498
56	575	269361	468.454
30	38	64	1.684
3	35	1024	29.257

191	201	100	0.498
59	575	266256	463.054
46	38	64	1.684
4	35	961	27.457

$$\chi^2 = \sum_{i=1}^n \left[ \frac{(O_i - E_i)^2}{E_i} \right] = 992.586$$

Conclusion:

At 5% level of significance and

V= (No. Of row- 1) x (No. Of column- 1)

(2-1) x (4-1) = 1x 3= 3 degree of freedom the tabulated value of  $\chi^2$  is 7.81

Since  $\chi^2_{cal} > \chi^2_{tab}$

So Null hypothesis is rejected and alternative is accepted and we can conclude that there exist relationship between Connectedness and Consumer behaviour

**Analysis 2:** To find the relationship between the wide variety of products and consumer behaviour.

S.No.	Factors	Highly Affected	Somewhat Affected	Unaffected	Can't Say	Total
1.	Brands	138	67	76	19	300
2.	Assortments	115	93	90	02	300
	Total	253	160	166	21	

## 5.2. Hypothesis II

**Null Hypothesis (H0):** There exist no relationship between Wide variety of products and Consumer behaviour.

**Alternate Hypothesis (H1):** There exist relationship between Wide variety of products and Consumer behaviour.

Table of Chi- Square test for Analysis II

O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
138	126.5	132.25	1.045
67	80	169	2.113
76	83	49	0.590
19	10.5	72.25	6.881
115	126.5	132.25	1.045
93	80	169	2.113
90	83	49	0.590
02	10.5	72.25	6.881

$$\chi^2 = \sum_{i=1}^n \left[ \frac{(O_i - E_i)^2}{E_i} \right] = 21.258$$

**Conclusion:**

At 5% level of significance and

 $V = (\text{No. Of row} - 1) \times (\text{No. Of Column} - 1)$  $(2 - 1) \times (4 - 1) = 3$  degree of freedom the tabulated value of  $\chi^2$  is 7.81Since  $\chi^2_{\text{cal}} > \chi^2_{\text{tab}}$ 

So Null Hypothesis is rejected and alternative is accepted and we can conclude that there exists relationship between Wide variety of products and Consumer behavior

**Analysis 3: To find the relationship between the consumer behaviour and shopping ease**

S.No.	Factors	Highly Affected	Somewhat Affected	Unaffected	Can't Say	Total
1	Sales person	131	105	63	01	300
2	Product Display	188	107	05	00	300
3	Offers & Discounts	226	19	55	00	300
4	Trawley & Shopping Baskets	86	91	74	49	300
5	Customer Support	132	73	54	41	300
6	Billing Counter	138	93	54	15	300
Total		901	488	305	106	

**5.3. Hypothesis III****Null Hypothesis (H<sub>0</sub>):** There exist no relationship between Shopping ease and Consumer behaviour.**Alternate Hypothesis (H<sub>1</sub>):** There exists relationship between Shopping ease and Consumer behaviour

Table of Chi- Square test for Analysis III

O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
131	150.167	367.373	2.446
105	81.333	560.126	6.886
63	50.833	148.035	2.912
01	17.667	277.788	15.723
188	150.167	37.833	0.251
107	81.333	658.794	8.099
05	50.833	2100.663	41.324
00	17.667	312.122	17.666
226	150.167	5750.643	38.294
19	81.333	3885.402	47.777
55	50.833	17.363	0.341
00	17.667	312.122	17.666
86	150.167	4117.403	27.418
91	81.333	93.508	1.149
74	50.833	536.709	10.558
49	17.667	981.756	55.570

132	150.167	330.039	2.197
73	81.333	69.438	0.853
54	50.833	10.029	0.197
41	17.667	544.428	30.816
138	150.167	148.035	0.985
93	81.333	136.118	1.673
54	50.833	10.029	0.197
15	17.667	7.112	0.402

$$\chi^2 = \sum_{i=1}^n \left[ \frac{(O_i - E_i)^2}{E_i} \right] = 331.4$$

Conclusion:

At 5% level of significance and

V = (No. of row- 1) x (No. of Column- 1)

(6- 1) x (4- 1) = 15 degree of freedom the tabulated value of  $\chi^2$  is 25

Since  $\chi^2_{cal} > \chi^2_{tab}$

So Null Hypothesis is rejected and alternative is accepted and we can conclude that there exists relationship between Shopping ease and Consumer behaviour.

Analysis 4: To find the relationship between the consumer behaviour and mall ambience

S.No.	Factors	Highly Affected	Somewhat Affected	Unaffected	Can't Say	Total
1.	Food Court & Multiplex	177	43	64	16	300
2.	Hygiene & Sanitation	194	77	26	03	300
3.	Lift Staircase Escalators	113	86	74	27	300
<b>Total</b>		484	206	164	46	

#### 5.4. Hypothesis IV

**Null Hypothesis (H0):** There is no relationship between Mall ambience and Consumer behaviour.

**Alternate Hypothesis (H1):** There is relationship between Mall ambience and Consumer behaviour.

Table of Chi- Square test for Analysis IV

O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
177	161.333	1.123	0.007
43	68.667	658.795	9.594
64	54.667	87.105	1.593
16	15.333	0.445	0.029

194	161.333	1067.133	6.614
77	68.667	69.439	1.011
26	54.667	821.797	15.033
03	15.333	152.103	9.920
113	161.333	2336.079	14.480
86	68.667	300.433	4.375
74	54.667	373.765	6.837
27	15.333	136.119	8.878

$$\chi^2 = \sum_{i=1}^n \left[ \frac{(O_i - E_i)^2}{E_i} \right] = 78.371$$

Conclusion:

At 5% level of significance and

V = (No. of row- 1) x (No. of Column- 1)

(3- 1) x (4- 1) = 6 degree of freedom the tabulated value of  $\chi^2$  is 12.6

Since  $\chi^2_{cal} > \chi^2_{tab}$

So Null Hypothesis is rejected and alternative is accepted and we can conclude that there exists relationship between Mall ambience and Consumer behaviour.

## 6. Conclusions

Organised retailing in India provides employment to lakhs of people and thousands of manufacturers have been engaged in this industry for a long time. 50- 100 malls have been opened in India till now with an investment of crores in this business. The organised retailing sector occupies an important place in the national economy of India. All types of retailers are found here. Both smaller and big retailers are chooses organised retailing as it helps in growth of their business. With the efforts of Future group, Raheja group, Landmark group, Reliance group, Tata group etc. organised retailing, underwent a radical change.

Indian consumerism, until the early 1990s remained a point of academic discussion due its immense potential. Similarly, access to cheaper credit and increased disposal incomes to enjoy their aspirations for private homes, cars, and a plethora of other consumer durables was a distant dream. This however, has changed dramatically over the past decade. The Indian economy has evidenced an unprecedented resurgence, with the GDP growth averaging close to 6% per annum placing India amongst the fastest growing economies in the world. This growth has meant an empowerment of the consumer.

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