Consumer Behaviour at Retail Outlets in Western Maharashtra

Dr. C. S. Dalvi- Associate Professor, CSIBER, Kolhapur, Maharashtra, India.

drcsdalvi@siberindia.edu.in

(Sponsored Minor Research Project of ICSSR, New Delhi)

Abstract - Retail Industry India is expected to grow at 10 per cent a Compound Annual Growth Rate (CAGR) of to $ 1.6 trillion by 2026 from $ 641 billion in 2016. Overall retail market of consumer is likely grow at the rate of 12 per cent per annum, retail though organized retail industry may grow at the rate of 20 per cent per annum as compared to the traditional retail or unorganised retail market which is likely to grow at the rate of 10 per cent.

Lifestyle in India is changing and the concept of 'value for money' is picking up local companies and local-foreign joint ventures are expected to more advantageously position than the purely foreign ones. Up and coming modern retail channels such as hypermarkets, supermarkets, convenience stores and discounters were unable to make a significant mark in grocery retailers' value due to a limited geographical spread in consumer reach. Department stores within mixed retailers were the forerunner in growth, being boosted by the introduction of lifestyle concept stores. The average Indian deserves consumption of good quality of products at prices he can afford. In a developing country like India, a major chunk of a consumer's expenditure is on retail products.

Keywords:- Retailing, modern retails, GDP, FDI, Unorganised retail, Customer.

I. INTRODUCTION

The term 'retailing' refers to any activity that involves a sale to an individual customer. Currently, Retailing is the buzzword in Indian Industry. The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space. Retail Industry in India is expected to grow at 10 per cent a Compound Annual Growth Rate (CAGR) of to $ 1.6 trillion by 2026 from $ 641 billion in 2016. Overall retail market of consumer is likely to grow at the rate of 12 per cent per annum, even though organized retail industry may grow at the rate of 20 per cent per annum as compared to the traditional retail or unorganised retail market which is likely to grow at the rate of 10 per cent. (India Brand Equity Foundation, 2018)1

India's Business to Business (B2B) e-commerce market is expected to reach US$ 700 billion by 2020.India has replaced China as the most promising markets for retail expansion, supported by expanding economy, coupled with booming consumption rates, urbanizing population and growing middle class. India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of Indian e-commerce markets. Indian e-commerce sales are expected to reach US$ 120 billion by 2020 from US$ 30 billion in FY2016. Further, India's e-commerce market is expected to reach US$ 220 billion in terms of gross merchandise value (GMV) and 530 million shoppers by 2025, led by faster speeds on reliable telecom networks, faster adoption of online services and better variety as well as convenience. The size of modern retail in India is expected to double to Rs 171,800 crore (US$ 25.7 billion) from Rs 87,100 crore (US$ 13 billion) in three years driven by Omni-channel retail. (India Brand Equity Foundation, 2018)2

Lifestyle in India is changing and the concept of 'value for money' is picking up local companies and local-foreign joint ventures are expected to more advantageously position than the purely foreign ones. Up and coming modern retail channels such as hypermarkets, supermarkets, convenience stores and discounters were unable to make a significant mark in grocery retailers' value due to a limited geographical spread in consumer reach. Department stores within mixed retailers were the forerunner in growth, being boosted by the introduction of lifestyle concept stores.

II. OBJECTIVES OF STUDY

1. To understand customer opinion about organized retail stores in selected cities in western Maharashtra.
2. To know customer buying behaviour when they are engaged in buying process in selected cities in western Maharashtra.

3. To asses change in attitude of people while purchasing and impact due to strategies of modern retailers in selected cities in western Maharashtra.

III. RESEARCH METHODOLOGY

3.1 Methods of Data Collection

For accomplishment of the above objectives, primary and secondary data needs to be collected from various sources. Primary data was collected from the shoppers so as to get first-hand information about a topic and for the purpose of analyzing information. The collection of data is supposed to be mainly through survey with the help of structured questionnaires.

3.2 Sampling

The sampling method used for collecting information from respondents was Convenient Quota Random Sampling. Quota of 1000 number of respondents is decided for the study.

IV. DATA ANALYSIS AND INTERPRETATION

Primary data was collected from 1000 customers who visited the modern retail shops in the selected cities of western Maharashtra. The selected cities of the western Maharashtra are Kolhapur, Solapur, Satara and Sangli. They were contacted by convenient method at the retail shops. The completed responses are then considered for the survey. This information is tabulated and interpreted using percentage method only. These are presented in the following tables followed by the interpretation.

Table No. 4.1: Shopping Visits

Shopping Frequency	One per week		Twice per month		One per month		Rarely		Total	
City	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Kolhapur	15	6	65	26	152	60.8	18	7.2	250	100
Solapur	12	4.8	39	15.6	177	70.8	22	8.8	250	100
Satara	9	3.6	54	21.6	161	64.4	26	10.4	250	100
Sangli	9	3.6	44	17.6	168	67.2	29	11.6	250	100
Total	45	4.5	202	20.2	658	65.8	95	9.5	1000	100

Daily needs of the people are provided by the grocery stores. It is necessary to understand the motive and other reasons to of visiting the stores. It will also throw light on the fulfillment of the requirements of the people. If the stores can satisfy all the requirements of the household items then the respondent may not visit the stores again and again. In urban class, people love to go to the malls for enjoyment and leisure activity. However the stores may not alike the mall.

Table 4.1 shows the distribution of the respondents according to the frequency of visits made by them to the stores in their area. It shows that respondents prefer to visit the store one per month. I.e. 65.8 % respondents visit the stores one per month. The behavior of the respondents is almost same across the cities in the entire category. Respondents visiting the stores every week are not significant but provide the opportunity to the store to attract the more people on regular basis.

Table No.4.2: Product Purchased

City	Kolhapur		Solapur		Satara		Sangli		Total	
Product	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Grocery	192	76.8	187	74.8	208	83.2	199	79.6	786	78.6
Home Care	196	78.4	176	70.4	146	58.4	164	65.6	682	68.2
Personal Care	230	92	220	88	179	71.6	167	66.8	796	79.6
Clothing	162	64.8	150	60	223	89.2	99	39.6	634	63.4
Home Décor	142	56.8	172	68.8	70	28	134	53.6	518	51.8
Toys	69	27.6	57	22.8	23	9.2	45	18	194	19.4
Kitchen Appliances	103	41.2	39	15.6	52	20.8	34	13.6	228	22.8

Electronic Appliances	68	27.2	66	26.4	60	24	52	20.8	246	24.6
Fruits and Vegetables	115	46	96	38.4	43	17.2	71	28.4	325	32.5
Any other	55	22	26	10.4	12	4.8	17	6.8	110	11.0

It is essential for any retail store to know the reasons of visits of the customers to the stores. Accordingly the stores can maintain the stocks of the differrent product required by the customers. The main categories of the products considered are grocery items which includes all foodgrains, cooking oil, cereals and pulses, spices, biscuits and readymade snacks, cold-drinks etc. Home care includes floor cleaner, dish-washing material, and other cleaning matrial, personal care includes bathing soaps, shampoos, deo's, cosmetics, toothpastes etc.

Table 4.2 shows the major product categories , the respondents have purchsed from the stores. It has been observed that respondents visit the stores for Groceries, Home care, Home-décor, clothing and personal care product category. Out of which groceries, Home care and personal care are leading categories in the preference list of the respondents as percentage of the repondents have given higher response. i.e 79 % Electronic items, kitchen appliances and toys are also kept by the stores. But the specialty stores for each of the category do exist in the outside open market and hence people don't buy the these products regularly from the stores. Lack of variety of the product category in these categories may be one of the reason for not shopping the goods. They may have space limitation for keeping the complete and broad variety of products in the given categories.

Table No4.3: Previous Purchase of the Products

Opinion	**Nearby Shop**		**My Grocer-wani**		**Any where Shop**		**Total**	
City	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**
Kolhapur	66	26.4	155	62	29	11.6	250	25
Solapur	70	28	141	56.4	39	15.6	250	25
Satara	29	11.6	149	59.6	72	28.8	250	25
Sangli	36	14.4	163	65.2	51	20.4	250	25
Total	201	20.1	608	60.8	191	19.1	1000	100

Large number of retail shops spread across the nation. In order to cater the convenience goods these shops plays important role. In the ester years people used to go to the nearby shop or the particular shop. After the launch of retail shops, people started purchasing goods from these retail shops. People like to feel the product at the time of purchase which did not exist in the traditional shops. The people used to ask the products from the counter or the list was prepared. Basic products are now being replaced by the brands and hence people buy the brands as per their tastes and preferences.

Table 4.3 shows that 60.8 % of the respondents used to go to the particular shop only. This is because of various reasons such as nearby, credit facility. Their monthly account and relationship with the grocer exist. It is usually referred as my shop or my wani (merchant). Around 20 % of the respondents used to go to nearby any shop while similar percentage of the respondents used to go to any shop anywhere.

Table No. 4.4: No break in Purchase from the Earlier Shops.

Response	**Yes**		**Sometimes**		**No**		**Total**
City	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**
Kolhapur	68	27.2	96	38.4	86	34.4	250
Solapur	80	32	102	40.8	68	27.2	250
Satara	78	31.2	110	44	62	24.8	250
Sangli	90	36	127	50.8	33	13.2	250
Total	316	31.6	435	43.5	249	24.9	1000

There was change in purchase habits .This question was asked to know whether people purchasing from Organized Retail Stores, still purchase from Kirana Shop. Kirana shops are known as neighborhood stores which satisfy needs in case of urgency as well. In India there is a trend of such shops and therefore it is called as nation of shopkeepers. The above table shows that the respondents have slowly stopped going to the regular shops. Only 31.6 % of the respondents have stated that they do visit the regular shops to purchase the daily items. The distribution of the respondents is more or less same across the region. Similarly, 43.5 % of the respondents visit the earlier shops sometimes. It may be due to depletion requirements or still they have some relation with the retailers. But it clearly shows that the respondents have come out of the earlier shops relationship and preferred the organized retail formats.

Only 24.9 % of the respondents stated that they don't go to the earlier shops for their regular purchases. Kolhapur respondents have shown negative inclination towards the earlier shops as compared to Sangli city respondents .This is red signal for the small retailers.

Table No. 4.5: Purchase of Items from Grocery Shop

Items	Food Items		Non Food Items		Total
City	**Frequency**	**%**	**Frequency**	**%**	**Frequency**
Kolhapur	135	80.84	32	19.16	167
Solapur	148	81.32	34	18.68	182
Satara	162	78.26	45	21.74	207
Sangli	211	83.73	41	16.27	252
Total	656	81.19	152	18.81	808

Even though, it was observed from the earlier table that the trend is to purchase from the modern retail stores. Significant numbers of respondents are purchasing the items from the regular shops. In order to know the items do they purchase from the regular shops, the question was raised. It has been observed from the Table 4.5 that 81.19 % of the respondents are purchasing the food items while 18.81 purchase the non-food items from the regular shops. Usually, the small retail stores stock the grocery items which are essential in the daily requirements. It is always convenient to buy the food items from the nearby shops in lieu of going all the way to modern stores. Time, value of items and physical exertion are the main factors which determine the purchase of food and convenient items.

Table No. 4.6: Reason of Purchase from Nearby Shop

City	Kolhapur		Solapur		Satara		Sangli		Total	
Reason	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**
Immediate required	65	26	43	17.2	55	22	41	16.4	204	20.4
Quality	34	13.6	38	15.2	54	21.6	66	26.4	192	19.2
Home Delivery	24	9.6	14	5.6	8	3.2	10	4	56	5.6
Near to Home	42	16.8	65	26	39	15.6	42	16.8	188	18.8
Saving of Time	18	7.2	16	6.4	12	4.8	20	8	66	6.6
Money Saving	21	8.4	26	10.4	8	3.2	16	6.4	71	7.1
Convenient	34	13.6	42	16.8	45	18	33	13.2	154	15.4
Relation	12	4.8	6	2.4	29	11.6	22	8.8	69	6.9
Total	250	100	250	100	250	100	250	100	1000	100

People purchase the various items from the nearby shops. There may be various reasons of purchasing the items from the nearby shops. The reasons identified are Good quality, near to home, relation with grocer, saving of time, money saving, home delivery, convenient and immediate requirement.

Table number 4.6 shows the distribution of the respondents about the different reasons of purchasing from the nearby shops. Main reasons are immediate requirement, quality, near to home and convenience. These reasons contribute around 74 % of the respondents purchasing the items from the nearby shops. It clearly shows that these are characteristics of the convenience goods. Money saving and relation with the grocer are less important. Hence, strong relations with customers are not maintained by the nearby grocers.

Table No. 4.7: Monthly Purchase from Traditional Shop

Amount of Monthly Purchase	Up to Rs. 500		Rs. 500 to 1000		Above Rs. 1000		Total	
City	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**
Kolhapur	34	20.73	96	58.54	34	20.73	164	100
Solapur	60	32.97	60	32.97	62	34.07	182	100
Satara	46	24.47	103	54.79	39	20.74	188	100
Sangli	119	54.84	54	24.88	44	20.28	217	100
Total	259	34.49	313	41.68	179	23.83	751	100

Table 4.7 showed that the purchases made from the grocery stores are basically convenient goods where customers don't have time to fulfill requirement and hence nearby stores are preferred. Amount of goods purchased from the shops will be less as compared to monthly requirements. In order to understand the amount spent on monthly purchase at nearby shops.

It has been observed from the Table 4.7 that34.49 % of the respondents purchased the items amounting to less than Rs. 500 in the month. 41.68 % purchased the items in the range of Rs 501 to 1000 while 23.83 % purchased the items amounting to more than Rs 1000. Sangli respondents 54.84 % purchased the items less than Rs 500 from theses nearby stores as compared 24.47 % of the Satara respondents. In Kolhapur 58.54 % and In Satara 54.79 % of the respondents purchased in the range of Rs 510 to 1000 as compared to 24.88 in Sangli city. More or less 20 % respondents in Kolhapur, Sangli and Satara purchased above Rs 1000 as compared to 34 % respondents of Solapur city.

Table No. 4.8 Reason to Shop at Organised Retail Stores

City	Kolhapur		Solapur		Satara		Sangli		Total	
Reason	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**
One Roof Shopping	174	27.23	150	24	189	25.61	190	26.28	703	25.80
Savings	134	20.97	143	22.88	165	22.36	123	17.01	565	20.73
More options available	145	22.69	110	17.6	126	17.07	162	22.41	543	19.93
Feel Enjoy shopping	55	8.61	90	14.4	80	10.84	90	12.45	315	11.56
Status	21	3.29	43	6.88	33	4.47	29	4.01	126	4.62
Quality products	110	17.21	89	14.24	145	19.65	129	17.84	473	17.36
Total	639	100	625	100	738	100	723	100	2725	100

People have shifted their shopping from traditional stores to modern retail stores. What are the various reasons which caused them to shift to organized retail stores? Different reasons are identified here.

Table 4.8 shows the distribution of the respondents according to the various reasons of shopping at modern stores. It shows that one-roof shopping (25.80%), savings due to discount available(20.73%), and more variety as more option under each product category(19.93%), are the major reasons for shifting to organized retail formats. Other reasons are Quality of products (17.36%), Enjoy shopping (11.56) and status (4.62%).

Table No.4.9: Category of Shopping

Category of Shopping	Regular Shopping		Special Shopping		Infrequent Shopping		Total	
City	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**
Kolhapur	138	55.2	80	32	32	12.8	250	100
Solapur	154	61.6	61	24.4	35	14	250	100
Satara	108	43.2	122	48.8	20	8	250	100

Sangli	118	47.2	82	32.8	50	20	250	100
Total	518	51.8	345	34.5	137	13.7	1000	100

People have started shopping at modern retail stores. But are they buying the goods regularly at these stores. In order to know the regularity in shopping at the modern retail stores, the question was raised.

The table 4.9 shows that in Kolhapur, majority 55.2 % visit for regular shopping, 32 % visit for special shopping and 12.8 % come for infrequent shopping. In Solapur, 61.8 % visit for regular shopping, 24.4 % visit for special shopping and 14 % visit infrequently. In Satara, maximum i.e. 48.8 % visit for special shopping, 43.2 % come for regular shopping and 8 % visit for infrequent shopping. In Sangli about 47.2 % respondents are visiting for regular shopping, 32.8 % are for special shopping and the remaining are for shopping infrequently. Overall, it is observed that majority, 51.8 % are regular shoppers followed by 34.5 % of the respondents visit for special shopping and 13.7 % visit for infrequent shopping. This shows that around 50 % of the respondents are regular buyers of the retail stores. Even though people have started shopping at modern stores 50 % don't shop at these stores but they are potential regular buyers and hence there is likely to be growth in the retail sector.

Table No. 4.10: Monthly Expenditure on Modern Retail

Expenditure	Upto Rs. 1000		Rs. 1001 to Rs. 2000		Rs. 2001 to Rs. 3000		Above Rs. 3000		Total	
City	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**
Kolhapur	50	20	59	23.6	99	39.6	42	16.8	250	25
Solapur	40	16	85	34	91	36.4	34	13.6	250	25
Satara	76	30.4	65	26	66	26.4	43	17.2	250	25
Sangli	78	31.2	59	23.6	69	27.6	44	17.6	250	25
Total	244	24.4	268	26.8	325	32.5	163	16.3	1000	100

To understand monthly expenditure at the modern outlets, the question was raised. This will help in estimation of the sales of the retails stores and accordingly they can develop the stores strategy.

Table 4.10 shows that distribution of the respondents according to the monthly expenditure made at the organized retail stores. 24.4% of the respondents spend less than Rs 1000, 26.8% spend Rs 1001 to Rs 2000 per month 32.5 % spend Rs 2001 to 3000 per month and only 16.3 % spend more than Rs. 3000 per month at these stores. 30.4 % respondents of Satara which is maximum in the Less than Rs 1000 expenditure category while 16 % from Solapur is the minimum in the same category. 34% respondents of Solapur (maximum) spend Rs 1001 to 2000 category while it is almost same in other cities of the region. 39.6% From Kolhapur and 36.4% from Solapur leads in Rs 2001 to 3000 category while around 27 % is observed in the Satara and Sangli city.

Table No.4.11: Factor Most Liked About Organized Retail

City	Sangli		Solapur		Satara		Kolhapur		Total	
Factor	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**
Easy Accessibility	175	70	145	58	162	64.8	190	76	672	67.2
Infrastructure	125	50	124	49.6	109	43.6	145	58	503	50.3
Friendly Staff	69	27.6	34	13.6	57	22.8	45	18	205	20.5
Attractive Display	90	36	75	30	81	32.4	110	44	356	35.6
As per Requirement	190	76	156	62.4	197	78.8	189	75.6	732	73.2

To identify the reasons which motivated the people to go to retail stores the question was raised. Factors have been identified which are mostly liked by the people. Table 4.11 explains the distribution of the respondents according to the things which they liked about the fulfilled at the store. But still 26.8 % of the respondents feel that the requirements are not fulfilled. Second reason they liked the stores because of its easy accessibility. Respondents don't like to take too much pain for monthly shopping but is it is near and easy to go, and then they like to shop at the stores. Third reason is the physical environment of the stores which please them and give happiness. It also shows that role of the staff is not significantly impress the respondents as only20.5% liked the staff or interaction with staff. This indicates that role of the staff is secondary or it does not influence the decision making of the respondents.

V. Findings

1) Respondents visiting the stores every week are not significant but provide the opportunity to the store to attract the more people on regular basis the store is not a place where people can enjoy and relax and hence the once in month is the major option observed. They purchase their monthly food grains, daily requirements such as cosmetics and toiletries. Small % of the respondents visit the stores rarely electronic items, kitchen appliances and toys are also kept by the stores. But the speciality stores for each of the category do exist in the outside open market and hence people don't buy the these products regularly from the stores. Lack of Variety of the prodcut category in these categories may be one of the reason for not shopping the goods. They may have space limitation for keeping the complete and broad variety of products in the given categories.
2) Their monthly account and relationship with the grocer. It is usually referred as my shop or my wani (merchant).The respondents used to go to nearby any shop while similar percentage of the respondents used to go to any shop anywhere.
3) Usually the small retail stores stock the grocery items which are essential in the daily requirements. It is always convenient to buy the food items from the nearby shops in lieu of going all the way to modern stores. Time, value of items and physical exertion are the main factors which determine the purchase of food and convenient items.
4) It is found that prior to modern retail outlets, majority of the respondents were purchasing from particular shop only. Significant percentage of buyers still goes to Kirana shops for purchasing items. They purchase from Organized Retail Shop as well as small Kirana shop. When things are needed in urgency, people may not go to hypermarket or Shopping mall for some tiny purchases. They prefer nearby shop for such purchases. Thus, it can be said that traditional retailing is an integral part of Indian retail.
5) The customers usually purchase food items from Kirana Shops. Most of the customers prefer to buy from Kirana shop because of 'Good and Reliable Quality', customers go to Kirana shop because it is nearby home, sometimes because Shopkeeper provides home delivery and they have good relation with customers. It has been found that, the respondents still spend Rs. 500 to 1000 on purchases from Kirana Shop. Customers visit Modern Retail outlet to get discount on purchases, they have shifted to modern retail shop because of 'One stop shop' Model. This may benefit by saving time in traveling while going from shop to shop for various categories.

VI. Conclusion

Retail Industry is growing in India at significant rate. At the same time tastes and preferences of the customers are also changing. People are slowly shifting from traditional stores to modern retail formats. Retail stores are making their efforts to attract the customers by offering them good discount. Customers found that they are able to save on their monthly expenditure and they prefer to visit the nearby retail formats. However, low income group of lower social culture environment people have their own personal reasons for not going to these stores. One can say that organized retail industry will definitely perform better in the coming years.

Acknowledgement

This article has been developed from the minor research project entitled as 'Problems and Prospects of Retail Business in Selected Cities in Western Maharashtra' sponsored by **Indian Council of Social Science Research (ICSSR), New Delhi**

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