

A Study on Consumer Behaviour and Buying Patterns In Apparel Retail Environment

[1] V V DEVI PRASAD KOTNI

Assistant professor

Department of Management Studies

Gayatri Vidya Parishad College for Degree and PG Courses (A)
Visakhapatnam

[2] SATIVADA DIVYA (PG151601152)

Student, MBA Program (2015-17)

Department of Management Studies

Gayatri Vidya Parishad College for Degree and PG Courses (A)
Visakhapatnam

Purpose of study: Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. It concerns with identifying consumers' needs and satisfy them more effectively than competitors. It makes marketing consumer oriented. It is the key to succeed. Consumer behaviour is a study of how individuals make decision to spend their available resources (time, money and effort) or consumption related aspects (What they buy? When they buy?, How they buy? etc.). The heterogeneity among people makes understanding consumer behaviour a challenging task to marketers. Hence marketers felt the need to obtain an in-depth knowledge of consumers buying behaviour. This study is conducted in the retail environment to study and observe retail consumer behaviour and consumption patterns.

Design/methodology/approach: A structured questionnaire consisting of 15 questions was prepared, distributed to 200 customers by using preferential sampling method.

Major Results: The age group that visits the apparel outlets more is of 23-27 years, most of the customers are male, salaried employees and graduates. The average amount spent by the customers is ranging from Rs.1000/- to Rs.5000/- and most of the customers visiting the apparel stores are coming from 3km-5km radius.

Managerial Implications: Most of the customers are coming to know about the offers through in-store communication. There are less people who come to buy the lifestyle products. It is identified in the study that the retail consumer behaviour is mostly affected by the factors like offers, prices, fashion and location of the outlet.

INTRODUCTION

Consumer behaviour is the study of how individual customers, group or organizations select, buy, use and dispose ideas, goods and services to satisfy their needs and wants. It refers to the actions of the consumers in the market place and the underlying motives for those actions. Marketers expect that by understanding what causes the consumers to buy particular goods

and services, they will be able to determine which products are needed in the marketplace, which are obsolete, and how best to present the goods to the consumers.

Peter F. Drucker¹ (1988) defined consumer as “it is the consumer who determines what business is.... What the consumer thinks he is buying, what he considers ‘value’ is decisive – it determines what a business is, what it produces and whether it will prosper”. Schiffman and Kanuk² (1978) defined consumer behaviour as “the behaviour which consumers show forth in searching for, purchasing, using and evaluating products, services and ideas which they expect will satisfy their needs”. The definition of consumer behaviour as per Belch and Belch³ (1985), “Consumer behaviour is the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and service so as to satisfy their needs and desires”. Solomon⁴ (1996) defined consumer behaviour as “the process involved when individuals or groups select, purchase, use, or dispose of products, services, ideas or experiences to satisfy needs and wants.” Kotler and Armstrong⁵ (2004) defined consumer buyer behaviour refers to “the buying behaviour of final consumers- individuals and households who buy goods and services for personal consumption. All of these final consumers combine to make up the consumer market.” According to Hoyer and Macinnis⁶ (2008), “Consumer behaviour reflects the totality of consumers’ decisions with respect to the acquisition, consumption, and disposition of goods, services, activities, experiences, people, and ideas by (human) decision-making units (over time).”

NEED OF THE STUDY

The key to the company’s survival, profitability, and growth is the study of in a highly competitive marketing environment and its ability to identify and satisfy unfulfilled consumer needs better and sooner than competitors. Thus consumer behaviour helps in achieving marketing goals. The study of consumer behaviour is not useful for the company alone. Knowledge of consumer behaviour is equally useful for middlemen and salesmen to perform

¹ Drucker, P.F. (1988) The Coming of the New Organization. Harvard Business Review, 66, 45-53.

² Leon G. Schiffman and Leslie Lazar Kanuk (1978). Consumer behaviour. Prentice-Hall.

³ Michael A. Belch and George E. Belch (1985). The Historical Evolution of Advertising Consumer Behavior Research", in SV - Historical Perspective in Consumer Research: National and International Perspectives, eds. Jagdish N. Sheth and Chin Tiong Tan, Singapore : Association for Consumer Research, Pages: 72-75.

⁴ Michael R. Solomon (1996). - Consumer behaviour. Prentice-Hall, India.

⁵ Kotler, P. and Armstrong, G. (2004) Principles of Marketing. 10th Edition, Pearson-Prentice Hall, New Jersey.

⁶ Wayne D. Hoyer, Deborah J. MacInnis (2008). Consumer Behavior. Cengage Learning.

their tasks in meeting consumer needs and wants successfully. Consumer behaviour, thus improves performance of the entire distribution system. The study of buying patterns also helps to know what the customers prefer more and what they are seeking to buy and what products are sold out and which products are lagging in sale.

Indian textiles and apparels have a history of fine craftsmanship and global appeal. Cotton, silk and denim from India are highly popular abroad, and with the upsurge in Indian design talent, Indian apparel too has found success in the fashion centres of the world. India is the world's second-largest exporter of textiles and apparels, with a massive raw material and manufacturing base. The textile industry is a significant contributor to the economy, both in terms of its domestic share and exports. It contributes about seven per cent to industry output, two per cent to the GDP and 15 per cent to the country's total exports earnings. The sector is one of the largest sources of job creation in the country, employing about 45 million people directly. Keeping in the view the importance of the apparel retail sector, it is proposed to study the consumer behaviour and buying patterns in the apparel retail outlets.

REVIEW OF LITERATURE ON CONSUMER BEHAVIOUR

Armstrong and Scott⁷ (1991) stated that the study of customer behaviour is based on consumer buying behaviour, with the customer playing three distinct roles: user, payer and buyer. Consumer behaviour research allows for improved understanding and forecasting concerning not only the subject of purchases but also purchasing motives and purchasing frequency (Schiffman & Kanuk, 2007)⁸. One of the current fundamental assumptions in consumer behaviour research is that individuals often purchase products for their subjectively perceived values rather than their primary functions (Stávková, Stejskal & Toufarova, 2008)⁹. The stimulus-response model (or the black box model) is a well-developed and tested model of buyer behaviour Keegan et al¹⁰ (1992). The black box model shows how stimuli, consumer characteristics, decision processes and consumer responses interact. The stimuli can be

⁷ Armstrong, J. Scott (1991). Prediction of Consumer Behavior by Experts and Novices. *Journal of Consumer Research*, 18(2), 251-256.

⁸ Schiffman, L. G., Kanuk, L. L. (2007). *Purchasing Behavior* (9th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.

⁹ Stávková, J., Stejskal, L., Toufarová, Z. (2008) Factors Influencing Consumer Behavior. *Agricultural Economics – Czech*, 54(6), 276-284.

¹⁰ W. Keegan, S. Moriarty, T. Duncan, (1992). *Marketing*. Englewood Cliffs, NJ: Prentice-Hall pp. 193.

distinguished between interpersonal stimuli (between people) or intrapersonal stimuli (within people) (Sandhusen¹¹, 2000).

The Concept of Consumer Decision Making Process:

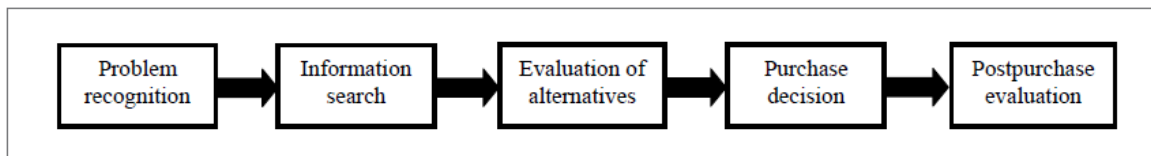


Figure 1. Consumer Buying Decision Process. Own elaboration based on Pride and Ferrell, 2007; Hansen, 2005

The consumer decision making process includes various steps right from identification of the consumer needs, search for alternative products to satisfy their needs, evaluation of product alternatives, the act of purchasing the product and finally post purchase evaluation of the product decision.

The FIVE stages of Consumer Decision Making Process: The model of consumer buying model is one which is being used by the marketers for studying and tracing the various activities and actions followed by the customers from the starting to end. The process is categorized into five different stages which are discussed as follows:

[1] Need / Problem Recognition: Need recognition happens once a shopper precisely determines their needs and wants. Customers want they're missing out one thing (problem) and desires to deal with this issue thus on fill within the gap (product purchase). Once businesses are ready to verify when their target market starts developing these wants or wants, they'll avail the best chance to advertise their brands.

[2] Information Search: The Information search stage within the customer call method tends to alter frequently as shoppers need getting additional and more information concerning merchandise which may satisfy their wants. Information can even be obtained through recommendations from individuals having previous experiences with merchandise. At this level, shoppers tend to think about risk management and prepare an inventory of the options of a selected whole. This is often done thus as a result of the majority don't wish to regret

¹¹ Sandhusen, R. L. (2000). Marketing (3rd ed.). New York, NY: Barron's Business Review Books.

their shopping for call. The sources of information are commercial sources, personal sources, public sources and experiential sources.

[3] Evaluation of Alternatives: This step involves evaluating identified alternatives that are in the market in conjunction with the product lifecycle. Once it's been determined by the customer what will satisfy their want, they'll begin seeking out the most effective choice in the market. This analysis is often primarily based upon various factors like quality, value or the other issue that are vital for purchasers. They will compare costs or scan reviews then choose a product that satisfies their parameters the foremost.

[4] Purchase Decision: When all the previous of stages are passed, the customer has currently finally set to form a buying call. At this stage, the patron has evaluated all facts and has come across a logical conclusion that is either based mostly upon the influence from promoting campaigns or upon emotional connections or personal experiences or a mixture of each.

[5] Post Purchase Behavior: The purchase of the merchandise is followed by post-purchase analysis that refers to analyzing on whether or not the product was helpful for the buyer or not. If the merchandise has matched the expectations of the customer, they're going to function a complete ambassador and influence alternative potential shoppers which are able to increase the customer base of that individual brand. The same is true for negative experiences; but, it will halt the journey of potential customers towards the merchandise.

OBJECTIVES OF THE STUDY

- To study the demographic profile the customers visiting apparel retail outlets.
- To analyze the buying patterns of the customers shopping the apparel retail outlets.
- To study consumer behavior of the customers purchasing apparels.
- To offer recommendations for better retail business performance

METHODOLOGY OF THE STUDY

The data is collected from both primary and secondary sources:

Primary data: A structured questionnaire consisting of 15 questions was prepared, distributed to 200 customers in Apparel Retail Outlets, Hyderabad. Their perceptions have been collected, tabulated and analyzed.

Secondary Data: Secondary data has been collected from various sources such as official website of Future Group, Central, Pantaloons, Max etc previous studies on retail consumer behaviour, web sources, and academic books.

Study Design:

Sampling technique	:	Preferential Sampling
Sample size	:	200
Study area	:	Hyderabad
Data Collection Instrument	:	Structured Questionnaire
Study Period	:	8 weeks

ANALYSIS & FINDINGS

Most of the people visiting the apparel retail outlets belong to the age group of 23-27 years (43%), followed by 28-32 years (27%), 18-22 years (20%) and others (12%). This is because the store consists of more branded and fashionable merchandise.

The gender of the customers is concerned, most of the customers visiting the apparel retail outlets are male (57%) and women (43%).

On the basis of occupation of the respondents, most of the customers of apparel retail outlets are belonging to the salaried employees group (59%) followed by business and self-employed people (28%) whereas 13% students and unemployed people stood moderate with.

On the basis of education of the respondents, most of the customers are graduates (50%), post graduates (39%) and higher post graduates (11%).

On the basis of family size of the respondents, most of the customers are belonging to the family size four (46%), the family size three (29%), the family size five (17%) and the family size two (9%).

The frequency of shopping is identified as, monthly (34%), weekly (9%), biweekly (9%), bimonthly (7%). It is identified that most of the apparel customers (43%) are shopping the clothes as per the requirement.

The time schedule of shopping is identified as, first week of the month (14%), last week of the month (11%), second week of the month (8%), last week of the month (11%). It is identified that most of the apparel customers (67%) are shopping the clothes as per the requirement.

As far as the shopping amount is considered, most of the customers (61%) are spending Rs.1000/- to Rs.5000/- per month whereas 23% of the customers are spending Rs.5000/- to Rs.10000/-, 9% customers are spending less than Rs.1000/- per month and 8% customers are spending less than Rs.10000/- per month.

On the basis of shopping distance is concerned, 37% of the people are visiting the apparel retail outlets from above the distance of 3km - 5km and only 8% of people visiting from less than 1 km, there are more customers (35%) visiting the outlets from far places i.e above 5km. There are customers (21%) who are visiting the store between 3km - 5km.

The factors impacting the retail consumer behaviour is also analysed in this study. It is identified that 58% of the respondents visiting the outlets because of brands, least important factor for the customers that is dragging them to the outlet is promotions i.e. only 3%, fashion stood next (21%) and followed by merchandise with 17%.

The sources of customer communication and promotion of apparel retail outlets is also analysed in this study. It is identified that 61% of the customers know about the offers through in-store communications, 14% are aware because of friends, another 14% are aware

about the promotional offers because of SMS, 10% of the customers are aware because of E-Mails and 2% of the customers know through other sources.

As per as the availability of products/brands in apparel retail outlets are considered, 42% of respondents said that they find whatever they need extremely often and only 1% responded as product availability not at all often. About 30% of the respondents found the product availability as very often and 20% as slightly often.

The factors impacting the consumer buying patterns is also analysed in this study. It is indentified that 34% of the respondents are random shoppers, 23% customers shopping are influenced by fashion, 21% customers shopping is influenced by brands, 18% customers are influenced by discounts, and 5% customer agreed that they are impulse buyers.

The most preferred apparel shopping outlets by the customers are analysed and it is found that Shoppers Stop outlet is liked by 42% of the customers, Lifestyle outlet is liked by 30% customers, 16% customers prefer Zara outlet, Stand Alones outlet liked by 8% and Forver21 is liked by 4% (apart from the Central).

The prices of the apparel retail outlets are considered, 46% of the respondents consider prices as moderately fair, 28% of the respondents consider prices as very fair, 16% of the respondents consider prices of apparel outlets as extremely fair, 9% of the respondents consider prices as slightly fair and 2% of the respondents considered the prices in apparel outlets as not at all fair.

SUGGESTIONS

- Most of the customers are coming to know about the offers in the apparel outlets are through in-store communication.
- The apparel retail marketers should practice their STP strategy more towards the customers with demographic profile of 23-27 years age group, male, salaried employees and graduates as it was identified in the study that most of the customers are having the same profile.
- There are less people who come to buy the lifestyle products to the apparel outlets.

- All the apparel outlets should maintain an effective in-store communications to the customers as it was found in the study that the shoppers are influenced by those combinations.
- It is identified in the study that the retail consumer behaviour is mostly affected by the factors like offers, prices, fashion and location of the outlet so that the fashion retail outlets should communicate about these attributes to the customers in effective manner.

LIMITATIONS

- The possibility of respondent bias is more and accuracy of the study is based on the information given by the respondents
- The sample size of 200 is small and may not be representing the whole universe.
- The study is limited to only one area (i.e. Kukatpally) in Hyderabad and the findings cannot be generalized.

SCOPE OF THE STUDY

- The study of the retail consumer behaviour is limited to one city Hyderabad only; the same studies can be conducted in other cities.
- Scope of the study is limited retail consumer behaviour; the same study can be conducted in individual consumer for the product marketing also.
- Scope of the study is limited apparel retail outlets; the same study can be conducted in other retail outlets like FMCG, Consumer Durables etc.

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