

Analysis of Consumer's Sentiments toward Organized Retail in the Context of E- Commerce

Dr.Tripti Sharma¹, Dr.Ankurita Bansal²

¹²*University College of Commerce & Management*

¹²*Guru Kashi University, Talwandi Sabo*

I. INTRODUCTION

Consumer Behavior refers to the behavior that consumers display in searching, purchasing and disposing of products and services. It includes "What they buy", "Why they buy", "When they buy it", "Where they buy it", "how often they buy it" and "how often they use.

Various scholars and researchers have characterised consumer behaviour (or buyer behaviour) as follows:

1. It is the consumer behaviour demonstrated by decision-making units throughout the purchase, consumption, and disposal of things, services, time, and ideas.
2. It is a field of research that investigates many aspects of product and service buying and consumption by consumers, taking into account a variety of social and psychological factors.
3. Consumer behaviour in terms of looking for, acquiring, utilising, reviewing, and discarding items and services that they believe will meet their requirements.
4. The process and behaviours that individuals engage in while they are looking for, selecting, acquiring, utilising, reviewing, and discarding things and services to meet their wants and preferences.
5. The activities immediately engaged in the acquisition, use, and disposal of items and services, as well as the decision-making processes that precede and follow these acts.
6. Consumer behaviour is defined by the American Marketing Association (AMA) as "the dynamic combination of cognition, behaviour, and environmental events through which human beings perform the exchange part of their lives."

II. FACTORS INFLUENCING CONSUMER BEHAVIOR

Cultural Factors: Culture Plays an important role in purchase of a product whether through online purchase or through organised retail formats like departmental stores or hypermalls.

Social Factors: Reference groups or persons directly associated with the consumers affect their purchase.

Personal Factors: A consumer decision also influenced by personal characteristics like age, occupation, economic status and personality.

Psychological Factors: These factors also plays a vital role in the decision making of the consumer regarding purchase of the product.

2.1. Organised Retailing in India

Retailing in India is one of the pillars of its economy and accounts for about 10 percent of its GDP.^{[1][2]} The Indian retail industry is projected to be over US\$ 600 billion, making it one of the world's top five in terms of economic value. With 1.2 billion inhabitants, India is one of the world's fastest expanding retail markets.^{[3][4]}

As of 2003, India's retailing business consisted primarily of tiny stores run by individuals. Larger format convenience shops and supermarkets accounted for roughly 4% of the business in 2010, and they were exclusively found in major cities. Around 40 million Indians work in the retail and logistics business in India (3.3 percent of Indian population).^[5]

In November 2011, India's central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Walmart, Carrefour and Tesco, as well single brand majors such as IKEA, Nike, and Apple.^[6]

A 2012 PWC report states that modern retailing has a 5% market share in India with about \$27 billion in sales, and is growing at 15 to 20% per year.^[7] There are many modern retail format and mall companies in India. Some examples are in the following table.

Indian Retail Group	Market Reach in 2011 and Notes ^[7]
Pantaloon Retail	65 stores and 21 factory outlets in 35 cities, 2 million square feet space
Shoppers Stop	51 stores in 23 cities, 3.2 million square feet space
Spencers Retail	200 stores in 45 cities, 1 million square feet space
Reliance Retail	708 mart and supermarkets, 20 wholesale stores in 15 cities, 508 fashion and lifestyle. ₹1,206 crore (US\$190 million) per month sales in 2013 ^[8]

Bharti Retail	74 Easyday stores, plans to add 10 million square feet by 2017
Birla More	575 stores nationwide
Tata Trent	59 Westside mall stores, 13 hypermarkets
Lifestyle Retail	15 lifestyle stores, 8 home centers
Future Group	193 stores in 3 cities, ^[9] one of three largest supermarkets retailer in India by sales. ₹916 crore (US\$140 million) per month sales in 2013 ^[8]

2.2. Current supermarkets

Existing Indian retail firms such as Big Bazaar, Easy Day, Spencer's, Vishal Megamart, etc. support retail reform and consider international competition as a blessing in disguise. They anticipate a flurry of joint ventures with global companies to raise growth funds and obtain supply chain management experience. Spencer's Retail, which has 200 outlets in India and sells fresh vegetables and fruits for 55% of its revenue, says that retail reform is a win-win situation because they currently buy agricultural products directly from producers without the need of intermediaries or dealers. Spencer's argues that there is room for growth in terms of store locations as well as farm product procurement. Foodworld, which now has more than 60 sites, intends to expand to more than 200. It has already formed a partnership with Dairy Farm International, located in Hong Kong. India's Foodworld expects its global link to grow stronger as international investment in Indian retail relaxes. Consumers will gain more from retail competition and investment because prices will be lower, availability will be greater, and supply chain logistics will be significantly improved.^[10]

2.3. Online Shopping

Consumers can buy products or services from a merchant over the Internet through online shopping. Consumers identify a product of interest by visiting the retailer's website directly or by searching among alternative vendors using a shopping search engine, which compares the availability and cost of the same product across many e-retailers. Customers may purchase online using a variety of computers and devices, including desktop computers, laptops, tablets, and smartphones, as of 2016.

Shoppers may usually utilise "search" options to find certain models, brands, or goods in online businesses. To conduct an online transaction, users must have Internet connection and a legitimate mode of payment, such as a credit card, an Interac-enabled debit card, or a

service like PayPal. The e-tailer generally distributes tangible things (such as paperback books or clothing) to customers; for digital products (such as digital audio files of music or software), the e-tailer typically transmits the file to the client via the Internet. Alibaba, Amazon.com, and eBay are the three largest online shopping companies.^[11]

2.4. In a digital world, how do customers buy?

Customers' buying behaviour may not be affected and controlled by the brand and company when they make a purchasing choice based on interactions with search engines, suggestions, online reviews, and other information in the digital world. People are more inclined to utilise their mobile phones, laptops, tablets, and other digital devices to collect information due to the rapid separation of the digital devices environment. To put it another way, the digital environment is having an increasing impact on customer perceptions and purchasing decisions. Interactive decision-making may have an impact on customer decision-making in an online buying environment. Customers are becoming more involved, and through online evaluations, they may influence the actions of other potential consumers.^[12]

Subsequently, risk and trust would also be two important factors affecting people's behavior in digital environments. Customers are considering switching between e-channels because they are primarily influenced by the comparison to offline buying, which involves an increase in security, financial, and performance concerns. In other words, customers who purchase online may face greater danger than those who shop in shops. Consumers's purchasing decisions are influenced by three reasons. First, people cannot assess if the goods meets their requirements and wants before receiving it. Secondly, customer may concern at after-sale services. Finally, customers may be concerned that they will not be able to completely comprehend the language used in e-commerce transactions. Customers' perceptions of risk, based on those characteristics, may have a substantial impact on their online purchase behaviour.^[13]

Online merchants have placed a strong focus on consumer trust; trust is another factor that influences customer behaviour in a digital environment, and it is influenced by the customer's attitude and expectations. Customers' expectations are not being satisfied by the company's product design or concepts. Customer purchasing intent is influenced by rational expectations as well as emotional trust. Furthermore, those expectations might be based on product information as well as revisions from others.^[14]

III. RESEARCH DESIGN AND METHODOLOGY

Research Problem

The study is titled "Changing Consumer Behaviour Towards Organized Retail in the Era of Online Shopping" because people are purchasing online, even for their daily needs, due to the growing number of nuclear families and husband-wife working couples, and thus the importance of retailing through organised formats may decline. The study thus focused on identifying the importance of organised formats still in the online age.

Research Gap

There are several studies on organised retail and associated consumers behaviour with behaviour of consumers purchasing online, still the researcher felt the need of studying the "Changing Consumer Behaviour Towards Organised Retail in the Era of Online Shopping". There are hardly few studies focusing the respective area.

Need for the Study

World is talking about online nowadays and people due to their busy schedule going online for all their needs. In the era of online shopping today, where consumers are purchasing maximum products of need online through various web portals offering the products and services, the researcher still liked to find the importance of organised retail formats offering all the products under one roof investing heavy finances.

Objectives of the Study

- Research and evaluate customer behaviour in relation to internet shopping vs. organised retail formats.
- To find out the factors which still influence the consumption of the products through organised retail formats.

IV. RESEARCH METHODOLOGY

The current research is both descriptive and exploratory. Exploratory research is used to define an issue for further examination or to generate a working hypothesis from a practical standpoint. Diagnostic research identifies the frequency with which something occurs or its relationship to something else. This project is a descriptive research since it collects information about consumer wants satisfaction and demographic profile.

V. DATA COLLECTION

The primary data research through survey technique is used in the present study. Secondary data collection technique is also used through printed materials in magazines, journals, websites, reports, etc.

VI. SAMPLE SIZE

143 respondents are selected for the purpose of the study.

VII. SAMPLING TECHNIQUE

Random and Convenience.

IX. RESEARCH INSTRUMENT

Questionnaire.

X. SCOPE OF THE STUDY

The scope of the study is to identify the changing consumer behavior towards organised retail in the era of online shopping. It is aimed at enlightening the company about different steps to be taken up to increase the share of organised retail in the current scenario of online shopping.

XI. LIMITATIONS

- Throughout the research, time has been a critical limitation.
- Study is restricted to Jaipur only.
- Even though the questionnaire is carefully constructed, some mistakes may occur.
- The consumer behavior varies in different situations and conditions.

X. DATA ANALYSIS

The researcher collected the data and tabulated & classified it for the purpose of easy interpretation and findings.

Demographic Profile of the Consumers:

Demography	Type of respondents	Frequency
Age	18-25	30
	25-40	66
	40 and above	47

	Total	143
Occupation	Govt. employed	32
	Private Employee	58
	Professional	17
	Self employed	15
	Student	21
	Total	143
Gender	Male	51
	Female	92
	Total	143
Education	Bachelor degree	54
	Post graduate	72
	Others	17
	Total	143
Income	less than 5000	8
	5000-10000	21
	10000-20000	38
	20000 and above	76
	Total	143

Classification of data demographically makes it easier for the marketers to draft their strategies and policies for the growth and development of the market and hence to increase the profitability.

Responses Received:

The study identified nine important factors to discuss for the purpose of analyzing the changing behaviour of consumers towards organised retail in the era of online shopping.

The factors identified are taken with the help of expert opinion from the relevant field and are as follows:

- ✓ Satisfaction level
- ✓ Customer Relationship Management
- ✓ Promotional Offers
- ✓ Loyalty Rewards

The above four factors are measured on the three point scale, i.e. High, Moderate and Low.

- ✓ Quality of Products
- ✓ After Sale Service

The above three factors are measured on the three point scale, i.e. Good, Satisfactory and Poor.

- ✓ Secure Payments
- ✓ Affordable Pricing
- ✓ Purchase of Products

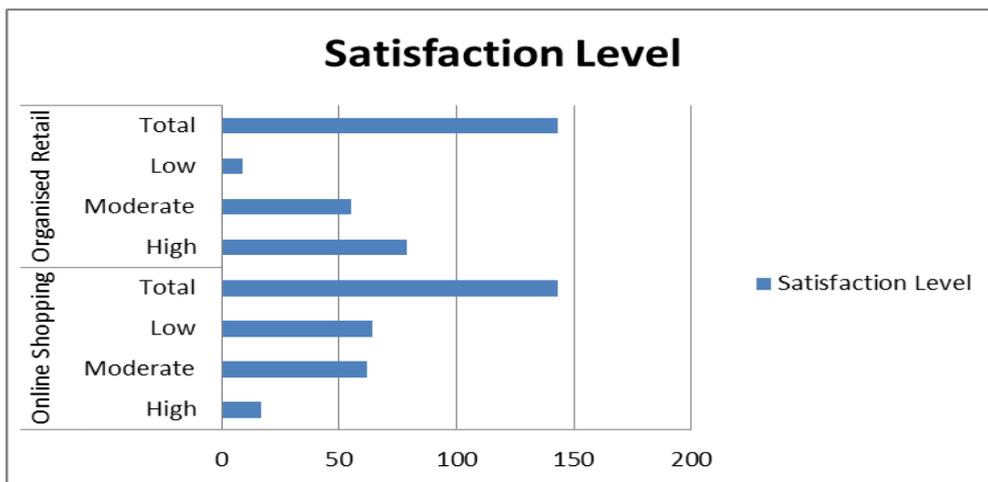
The above three factors are measured on the dichotomous scale, i.e. Yes and No.

Table 1

Particulars	Online Shopping				Organised Retail			
	High	Moderate	Low	Total	High	Moderate	Low	Total
Satisfaction Level	17	62	64	143	79	55	9	143
CRM	0	54	89	143	23	67	53	143
Promotional Offers	21	79	43	143	42	68	33	143
Loyalty Rewards	11	42	90	143	47	38	58	143

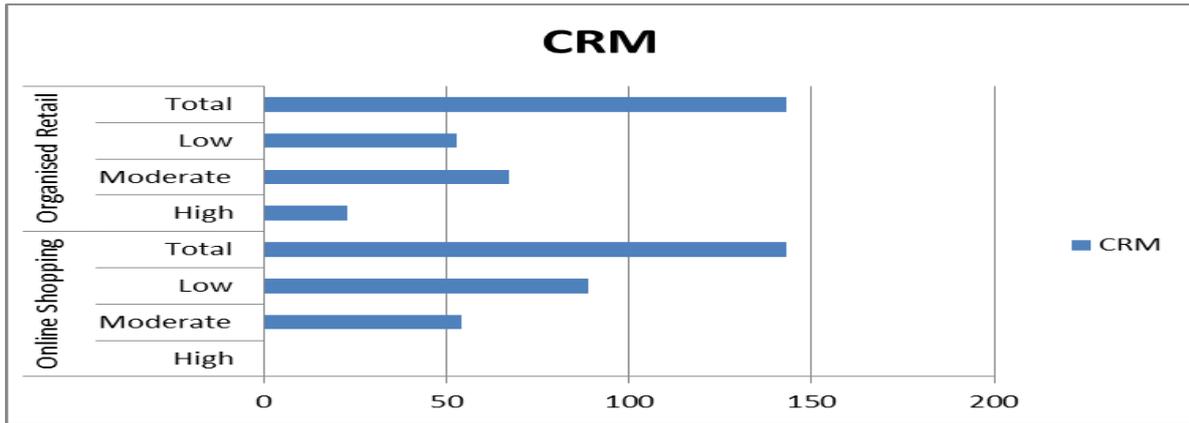
Source: Self Made through data collected.

Satisfaction Level



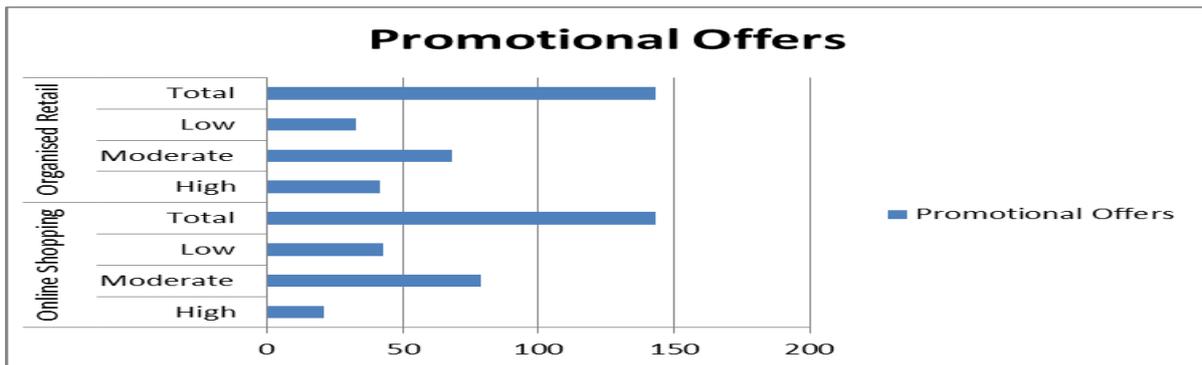
It is observed that Satisfaction level is comparatively low in online shopping in comparison to organised retail which states that still in the era of online shopping marketers need to cater and fulfill the demands of the customers in full and focus on high promising areas. Further people commented that online shopping is still not trustworthy as we cannot see, touch and feel the original product before purchase which stimulates maximum purchase otherwise.

Customer Relationship Management



Customer Relationship Management is high in organised retail as consumer can visit the store for personal interaction and have in house personal experience in attending queries and finding solution to various problems ascertained.

Promotional Offers



It is observed that there is not much difference in promotional offers offered by both the formats of sale but in this arena also organised retail is slightly higher than online shopping.

Loyalty Points



Loyalty Reward points are high in organised retail as compared to online shopping. Customers are enjoying equal amount of cashback purchasing through online mode in any of

the format of purchase. Other loyalty schemes are also high in organised retail such as gift coupans, cards, etc.

Affordable Pricing



Organised retail is offering more affordable pricing and offers with discounts in comparison to online shopping. This organised format is also providing all the respective offers which is offered by online portals.

Table 3

Particulars	Online Shopping				Organised Retail			
	Good	Satisfactory	Poor	Total	Good	Satisfactory	Poor	Total
Quality of Products	33	52	58	143	52	91	0	143
After Sale Service	47	54	42	143	33	82	28	143

Source: Self Made through data collected.

Quality of Products



As consumers cannot see, touch and feel the products before purchase, the quality is not assured in online shopping and is high in organised retail and hence consumers prefer to purchase through organised retail.

After Sale Service



Overall service provided by organised retail is satisfactory in comparison to online shopping.

XI. FINDINGS

The study is focused on finding the changing behaviour of consumers towards organised retail in the era on online shopping. Some of the Major Findings are as follows:

- 1.Organised Retail still has the good place in the minds of the consumer.
- 2.Maximum Purchase is still through Organised Retail due to favorable concerns.
- 3.CRM is high in Organised Retail due to direct interaction and personalized query handling.
- 4.Satisfaction Level is also high in organised retail due to assured genuine products.
- 5.Pricing is also affordable in organised retail as many offers can be offered catering to the needs of the consumers.
- 6.Organised retail is also safe for payments mode in comparison to online shopping.

XII. CONCLUSION

In the era of online shopping and digital platform for all, government is also keen to digitalise the entire economy and promoting online payments, still there is the need to be more focused on the concerned area as consumers do not feel safe working online with their personal information and would like to have more security towards online platform.

Online shopping is also not that trustable as compared to organised retail which still needs to provide comfortable and better experience to the consumers willing to shop online.

REFERENCES

- [1] "The Bird of Gold - The Rise of India's Consumer Market". McKinsey & Company. May 2007.
- [2] Anand Dikshit (12 August 2011). "The Uneasy Compromise - Indian Retail". The Wall Street Journal.
- [3] "Winning the Indian consumer". McKinsey & Company. 2005.
- [4] Majumder, Sanjoy (25 November 2011). "Changing the way Indians shop". BBC News.
- [5] "FE@CAMPUS MASTERMIND: Response by Mahavir Accha to question for Jan 7-13". Indian Express.
- [6] "Retailing in India Unshackling the chain stores". The Economist. 29 May 2008.
- [7] The Indian Kaleidoscope - Emerging trends in retail PWC (2012).
- [8] Ambani overtakes Kishore Biyani, becomes India's largest retailer Hindustan Times (March 21, 2014).
- [9] Annual Report 2012-13 Future Group.
- [10] Retailers upbeat on Centre's FDI move". India Today. 30 November 2011.
- [11] "The Alibaba phenomenon". The Economics. March 23, 2013.
- [12] Kannan, P. K; Alice Li, Hongshuang. "Digital Marketing: A framework, review and research agenda". International Journal of research in Marketing. **34** (1): 22-45.
- [13] Pappas, N (March 2016). "Marketing Strategies perceived risks, and consumer trust in online behaviour". Journal of Retailing and Consumer Services. **29**: 92-103.
- [14] Kawai, F; Tagg, S (July 2017). "The construction of online shopping experience: A repertory grid approach". Computers in Human Behavior. **72**: 222-232.