

# **AN INVESTIGATION OF DETERMINANTS OF CUSTOMER'S SHOPPING BEHAVIOR TOWARDS SELECT HYPERMARKET – AN EMPIRICAL STUDY WITH SPECIAL REFERENCE TO SOUTH INDIA**

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## **ABSTRACT**

*In the current global scenario every sector is facing more threats and opportunities. The retail sector is no exception to this, which strives hard to survive the cut throat competition to retain the customers at global levels. Change is the essence of life and hence the study necessitates considering the factors influencing consumers taste and preference towards the retail chain store as a whole. This study majorly concentrates on the factors influencing customers' shopping behavior towards select hypermarket. This descriptive study is done by means of the primary and secondary sources of data. Questionnaire is a main tool for collecting the primary data. In order to perform this study the sample size considered was 205 respondents and the sampling unit will be the customers who visit select hypermarkets in South India. The tools used for the study are Paired Sample T test, Correlation and Chi Square test. It is found that 68% of the customers are accompanied by family members and 61% of customers purchase decision is made by self. It is also found that among the determinants availability of goods is rated as top influential factor. There is a relationship between income and quality of goods sought, income and frequency of purchase, gender and average amount spent and high positive correlation between size of family and average amount spent.*

**Keywords:** Determinants, Shopping behaviours, Hypermarket, South India

## **INTRODUCTION:**

Retailing in India is dramatically progressed and becomes booming industry. Modern retail has entered India as seen in galloping speed and revolution in shopping. In relation to consumer behaviour elliptical trend includes price responsiveness. Consumer behaviour involves the use and disposal of products as well as the study of how they purchased. Product use is often of great interest to the marketer, because this may influence how a product is best positioned. Consumer behaviours involve services and ideas as well as tangible products. The impact of consumer behaviour on society is also of relevance. The psychology of how the consumer influenced by the environment. Hypermarkets will be one of the major centres for shopping. Thus to tap the opportunities in this sector, it is important to analyse the factors, how the consumers are influenced and the current behavioural patterns of shopping for the hypermarkets in India.

## **NEED FOR THE STUDY:**

Change is the essence of life and hence the study necessitates considering the factors influencing consumers taste and preference towards the retail chain store as a whole. Many stores use the catch phrase “Customers are our gods” to promote the principle placing the biggest priority on customers. This study is also needed to ascertain the attitude and perception of customers towards shopping in hypermarkets about the internal and external atmospheric conditions.

## **SCOPE OF THE STUDY:**

The study focuses on the factors that influence the customers purchasing decisions towards hypermarkets. In the current scenario of purchasing power of the public, this study gives suggestions and recommendations to the chain store to tackle the tough competition. The study examines the psychology of the consumer, behaviour of the consumer, their motivation and decision making strategies while purchasing at hypermarket. This study helps the hypermarkets in improving their marketing strategies, problems faced by them and the facilities they look forward in hypermarkets. Based on the findings some suggestions were made to bring improvement.

## **OBJECTIVES OF THE STUDY:**

- To analyze the underlying determinants influencing customers’ behavior towards hypermarkets.
- To study the influence of demographic factors on the customers’ behavior on select hypermarkets.
- To rank the influence of select factors on consumer behavior.
- To give suggestions and recommendations for further improvement of Hypermarkets.

## **REVIEW OF LITERATURE:**

Bloch et al. (1994), have identified seven dimensions of shopping malls for determining consumers’ motives for visiting malls. These dimensions are: aesthetics, escape, flow, exploration, role enactment, social and convenience.

Maye and Kincade (2003), reported that the occasion for which an apparel item is purchased does influence the consumer’s importance rating of the store environment and there were higher expectations for the environment of a store offering formal merchandise than a store offering casual merchandise.

Martin and Turley (2004), they found that young segment (19-25 years) were more likely to be objectively rather than socially motivated to patronize.

Ruiz et al. (2004), they identified four segments for segmentation, they are as follows: recreational shoppers, full experience shoppers, traditional shoppers and mission shoppers.

Kamath G B (2009), he revealed the factors affecting consumer preference towards retail store, namely, Shopping experience and ease, entertainment and gaming facilities, promotion,

discounts and low prices, add on facilities and services, variety of products and other factors for shopping convenience.

Devgan D and Kumar M (2010), they found that the factors influencing consumer behaviour are value for money, customer delight, information security, credibility, store charisma and productive excellence.

Sohail (2015), he concluded that factors such as value perceptions, lifestyles and shopping orientation differ across gender and have a significant impact on shopping.

Shekar et.al (2016), they studied that overall customer satisfaction is based on availability and quality of product and services offered at shopping malls and comfort level at shopping malls.

## **RESEARCH METHODOLOGY:**

Research Design - Descriptive Research

Sources of Data - Primary Data: Questionnaire is a main tool for collecting the primary data. In a systematic manners covering adequate and relevant questions which cover all aspects of the study.

Secondary Data: The theoretical background of the present study was collected from various secondary sources, which include magazines, journals and websites and other related research work on it.

Sample Technique: The research was carried out in Southern part of India. Convenience sampling method was used to select the sample.

Sample Size: Sample size considered for the study was 205 respondents.

Sampling Unit – Target respondents: Customers who visit the select hypermarkets.

Tools used for analysis: The following tools are used for the study.

## **LIMITATIONS:**

At most care and efforts have been taken by the researcher to avoid faults and short comings in the process of data collection. This study is prone to some limitations which are mentioned below:

- The present study is restricted only to a limited number of respondents and hence it may not represent the population as a whole.
- This study will be useful to the retailers only to a certain extent as there is a prevalence of heterogeneity factors among the consumers.
- Statistical tools used may have its own limitations.

## **ANALYSIS AND INTERPRETATION:**

**Table 1: Showing Frequency and Percentage analysis for Demographic factors**

<b>Marital Status</b>	<b>No of respondents</b>	<b>Percent</b>	<b>Gender</b>	<b>No of respondents</b>	<b>Percent</b>
Single	115	56.10	Male	76	37.08
Married	90	43.90	Female	129	62.92
<b>Total</b>	<b>205</b>	<b>100.0</b>	<b>Total</b>	<b>205</b>	<b>100.0</b>
<b>Age</b>	<b>No of Respondents</b>	<b>Percent</b>	<b>Educational qualification</b>	<b>No of respondents</b>	<b>Percent</b>
Less than 25	113	55.13	Undergraduate	68	33.17
25 to 35	48	23.42	Postgraduate	86	41.95
36 to 45	24	11.70	Professional Courses	29	14.14
Above 45	20	9.75	Schooling	22	10.74
<b>Total</b>	<b>205</b>	<b>100.0</b>	<b>Total</b>	<b>205</b>	<b>100.0</b>

Occupation	No of Respondents	Percent	Monthly Income	No of Respondents	Percent
Private Employee	109	53.17	Less than 20,000	58	28.30
Govt. Employee	37	18.04	20,000 to 40,000	77	37.55
Business	26	12.70	40,000-60,000	30	14.65
Professional	33	16.09	Above Rs.60000	40	19.50
<b>Total</b>	<b>205</b>	<b>100.0</b>	<b>Total</b>	<b>205</b>	<b>100.0</b>
Family Size	No of Respondents	Percent	Frequency of Visit in a year	No of Respondents	Percent
2	16	7.80	>10	14	6.85
3	65	31.70	7-10	11	5.35
4	93	45.35	3-6	37	18.05
5 & Above	31	15.15	</=2	143	69.75
<b>Total</b>	<b>205</b>	<b>100.0</b>	<b>Total</b>	<b>205</b>	<b>100.0</b>
Regular Customer	No of Respondents	Percent	Accompany	No of Respondents	Percent
Yes	103	50.25	Friends	65	31.71
No	102	49.75	Family	140	68.29
<b>Total</b>	<b>205</b>	<b>100.0</b>	<b>Total</b>	<b>205</b>	<b>100.0</b>
Mode of Payment	No of Respondents	Percent	Time Spent	No of Respondents	Percent
Cards	25	12.20	An hour	61	29.76
Cash	148	72.20	2 to 3 hrs.	115	56.09
Both	32	15.61	More Than 3 hrs.	29	14.15
<b>Total</b>	<b>205</b>	<b>100</b>	<b>Total</b>	<b>205</b>	<b>100</b>
Average Money spent	No of Respondents	Percent	Purchase Decision	No of Respondents	Percent
Less than 1000	40	19.51	Parents	50	24.39
1000-3000	95	46.34	Self	127	61.95
3001 to 5000	53	25.85	Spouse	15	7.31
Above5000	17	8.29	Children	13	6.34
<b>Total</b>	<b>205</b>	<b>100</b>	<b>Total</b>	<b>205</b>	<b>100</b>

**Table 2: Showing Percentage Analysis for Determinants of Consumer Behavior**

Parameters	Very High Influential	High Influential	Moderately Influential	Low Influential	Very Low Influential
Everything Under One Roof	14.19	35.81	10.81	20.27	28.92
Quality	8.29	60.98	23.41	4.88	2.44
Location	14.19	32.43	20.94	16.21	16.21
Offers and Discounts	14.19	51.35	12.16	10.81	12.84
Timing	12.16	41.89	11.49	20.27	14.19
Price	9.27	24.88	58.54	4.88	2.44
Packaging	8.78	24.39	60.49	3.90	2.44
Returning of defective items	2.70	11.49	14.86	38.52	32.43

Parameters	Very High Influential	High Influential	Moderately Influential	Low Influential	Very Low Influential
Handling Complaints	13.51	43.92	4.73	23.65	14.19
Variety	27.02	47.97	8.78	12.16	4.05
Layout	11.49	55.07	14.19	12.84	5.41
Parking	22.30	31.08	15.54	20.95	10.13
Cleanliness	8.78	20.95	10.81	30.46	29.05
Visual appeal	18.24	46.62	11.49	16.90	6.76
Courtesy of Staff	14.19	35.81	10.81	20.27	28.92
Staff Knowledge	18.24	34.46	11.49	24.32	11.49
Value for Money	14.19	49.33	12.16	11.49	12.83
Payment Option	9.27	24.88	58.54	4.88	2.44
Prestige	8.78	24.39	60.49	3.90	2.44

**Table 3: Showing Ranking of Determinants Influence towards Hypermarkets**

Particulars	Total Samples	Weighted Average	Rank
Variety	205	32.24	1
Quality	205	31.40	2
Timing	205	22.91	5
Location	205	23.29	3
Payment Option	205	18.47	7
Prestige	205	17.02	9
Courtesy of Staff	205	19.67	6
Layout	205	18.02	8
Parking	205	23.24	4

**INFERENCE:**

From the above table it is clear that out of 205 respondents, Variety is the most preferred determinant in choosing hypermarkets, it is followed by quality and location. Parking is the fourth influencing factor and other factors such as timing, courtesy of staff, payment option, layout and prestige influenced least.

**CHI SQUARE TEST:**

**Opinion about quality of goods & Income of the respondents**

**Hypothesis: 1**

There is no significant relationship between quality of goods and income of the respondents.

**Table 4: Table showing relationship between quality of goods and Income of the respondents**

	Value	df	P value
Pearson Chi-Square	34.256a	12	.0000

Since P value is less than 0.05, we reject null hypothesis and accept alternate hypothesis. Hence there is a significant relationship between quality of the goods and income of the respondents

**Opinion about Income of the respondents & frequency of their purchase**

**Hypothesis: 2**

There is no significant relationship between Income of the respondents and frequency of their purchase.

	Value	df	P value
Pearson Chi-Square	3.945a	4	.0384

P value 0.0384 is less than 0.05; the calculated chi- square value is less than the critical value at 5% level of significance. Therefore Null Hypothesis is rejected and there is a relationship between Income of the respondent and frequency of their purchase.

**Paired Sample T Test**

**Hypothesis: 3**

There is no significant difference between Gender and average amount spent on visit

**Table 6: Showing significant values for Gender and Average amount spent**

	t	df	Sig.
Gender and Average Amount Spent	9.329	4	0.000

Since p value is less than 0.05, null hypothesis is rejected and alternate hypothesis is accepted. Therefore there is a significant difference between Gender and Average amount spent

**Correlation**

**Pearson Correlation between Size of Family and Average Amount spent**

**Hypothesis: 4**

There is no significant relationship between Size of Family and Average Amount spent

**Table 7 Showing Pearson Correlation Coefficient between Size of Family and Average Amount spent**

		Size of Family	Average Amount Spent
<b>Size of Family</b>	Pearson Correlation	1	0.712
	Sig (2 tailed)	0.000	
	N	205	
<b>Average Amount Spent</b>	Pearson Correlation	.712	1
	Sig (2 tailed)	0.000	
	N	205	

There is a significant strong positive correlation between Size of family and Average amount spent.

**SUGGESTIONS:**

The following are the various suggestions that were highlighted by customers who visit hypermarkets

**Billing Counters:**

Majority of the customers who visited the Hypermarkets feels that the current availability of the billing counters is not sufficient to manage the crowd visiting Hypermarkets. It takes longer time for the customers who stand in larger queues for billing their products. Hence addition of some more billing counters will drastically reduce the number of customer’s standing in the queue and also can save the valuable time of the customer’s.

**Less Customer Interaction:**

The next valuable suggestion that was highlighted is that the sales people standing at the various departments in the Hypermarkets are not properly interacting with the customer’s and not

attending the customer's calls. In such cases the Hypermarkets must come forward in training those sales people who are not properly interacting with the customer's and counseling sessions for them will minimize this kind of inadequacies.

#### **Defects in Products:**

The next valuable suggestion that was highlighted is the number of defects in the products. Even though this was highlighted only by minimal number of customer's visiting Hypermarkets but still it is the responsibility of the Hypermarkets to replace a new product in case of the product already taken by the customer's seems defective. A sales person should be empowered with adequate replacement authority at his disposal to satisfy the customer

#### **Parking Facility:**

The next valuable suggestion that was highlighted is the lack of parking facility inside the Hypermarkets premises. In spite the huge number of customer's visiting Hypermarkets on a regular basis the management has not taken steps to increase the parking space and it is often found that the customer's park their vehicle in the nearby streets and surrounding places of Hypermarkets which is causing lots of traffic issues and that is leading to in-security to their vehicles.

#### **Developing competition among the other retail shops:**

The next valuable suggestion that was highlighted is that the Hypermarkets management must take more efficient steps to compete with the other retailers by providing few more promotions, discount offers, sales campaigns, unique product features and delivering quality products which may attract the customers who are not regularly and frequently visiting the Hypermarkets.

#### **CONCLUSION:**

Consumer behavior plays a vital role in the growth and development of the departmental stores. The retail stores should act as a watchdog to know the preferences of the consumer. Hypermarkets have strong image among the consumers in respect of quality, quantity and price. Therefore the image of surroundings of a departmental store and the quality is the principle source of its competitive advantages. From the study it can be concluded that 68% of the customers are accompanied by family members and 61% of customers purchase decision is made by self. It is also found that among the determinants availability of goods is rated as top influential factor. There is a relationship between income and quality of goods sought, income and frequency of purchase, gender and average amount spent and high positive correlation between size of family and average amount spent.

#### **FURTHER SCOPE FOR RESEARCH:**

This study can be further extended by doing comparative analysis between considered hypermarkets and analyzing the factors considered in depth. The relationship between demographic factors and determinants can also studied in detail.

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