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A Study on consumer behavior at corporate retail stores in Vijayawada city

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Abstract. Today the corporate retail stores are the focal points for purchasing decisions of middle and high-income groups in urban India. However, each corporate retail store has its own method of retailing. Storing the products differently at same locality, location advantage, self-servicing outlets, windows hopping, large scale discount, specialty stores are some of the models retailing stores have adopted. But only some of the models are only popular among the consumers. Consumer's preferences and choices are varying across different retail models. In this context the present study wants to explore significant difference among corporate retail stores in Vijayawada in consumer preference and choices

Keywords: Corporate Retail Stores, Retail Shopping, Shopping Behavior, income of the consumer, Specialty Store.

1. Introduction

Consumer decision making has long been a major concern of researchers. Companies in retail industry are interested in the study of consumer behavior as it makes them familiar with the emerging needs and preferences of their existing and prospective buyers. To find out what comprises customer-satisfaction, marketers must study the main influences on what, where, when and how customers buy goods or obtain services [1]-[3]. By understanding these factors marketers are better-equipped to predict how consumers will respond to marketing strategies. Finally, this information empowers modern retail malls as well as conventional retail stores to compete more efficaciously in the marketplace leading to greater customer-satisfaction [4]-[6].

The present study aims at analyzing the differences in shopping behaviors of customers in two leading corporate retail stores in Vijayawada city —D-Mart and Metro, Andhra Pradesh, India. Of late customers are focusing mainly on quality, quantity, and price of the products. In this context consumer shopping behavior in respect of retail shopping was analyzed to identify the various factors influencing it. The results of the study reveal that except for average monthly purchasing expenditure, there is no significant differences between Metro and D-Mart in respect of factors that influence purchasing decision.

2. Objectives of the Study

The major objectives of the present study are

- (i) To study the differences in
- (ii) To study the significant difference between D-Mart and Metro in purpose of visiting the store.
- (iii) To understand the association between income level of the customer and the purpose for which he visits the retail stores.



- (iv) To analyzing the average expenditure of customer in retail store
- (v) To study the significant difference in average expenditure of the customer between D-Mart and Metro

3. Hypothesis for study

- (i) H1₀: There is no significant difference between D-Mart and Metro in features that influence purchasing decision.
- (ii) H2₀: There is no significant difference between D-Mart and Metro in purpose of visiting the store.
- (iii) H3₀: There is no association between income level of the customer and the purpose for which he visits the retail stores.
- (iv) H4₀: The average expenditure of customer in retail store is not in the range of Rs: 10,000-15000.
- (v) H5₀: There is no significant difference in average expenditure of the customer between D-Mart and Metro

4. Research Methodology

To analyzing the consumer behavior in the selected corporate retail stores Metro and D-Mart in Vijayawada. We gathered random sample of 79 respondents from D-Mart and 70 respondents from Metro, were taken, and a structured questionnaire was designed to gather information on four important variables related to consumer behavior from the respondents. The questionnaire was tested for reliability and validity through a pilot study. Information was gathered personally from the consumers when they are making purchases. The data gathered was processed and analyzed with descriptive statistics like tables, percentages and bar charts. To study the differences in There is no significant difference between D-Mart and Metro in features that influence purchasing decision, To study the significant difference between D-Mart and Metro in purpose of visiting the store, To understand the association between income level of the customer and the purpose for which he visits the retail stores at Independent Samples Chi-square test was used as the samples were not normally distributed. To analyzing the average expenditure of customer in retail store and to study the significant difference in average expenditure of the customer between D-Mart and Metro. We use two sample t-Test and non-parametric we use Mann-Whitney U.

5. Testing of Hypothesis

Hypothesis -I

- (i) H1₀: There is no significant difference between D-Mart and Metro in features that influence purchasing decision. To Test the above Hypothesis Chi-Square test of association is used the results of which are displayed below

Table 1: Features that influence purchasing decision.

| COMPANY | Economy | Family/ Friends | Life Style | Location | Status Related Satisfaction | Total |
|---------|---------|--------------------|---------------|----------|-----------------------------------|-------|
| D-MART | 24 | 8 | 14 | 17 | 16 | 79 |
| METRO | 22 | 10 | 9 | 10 | 19 | 70 |
| TOTAL | 46 | 18 | 23 | 27 | 35 | 149 |

Table 2: χ^2 - Tests

| | Value | df | p |
|----------|-------|----|-------|
| χ^2 | 2.94 | 4 | 0.569 |
| N | 149 | | |

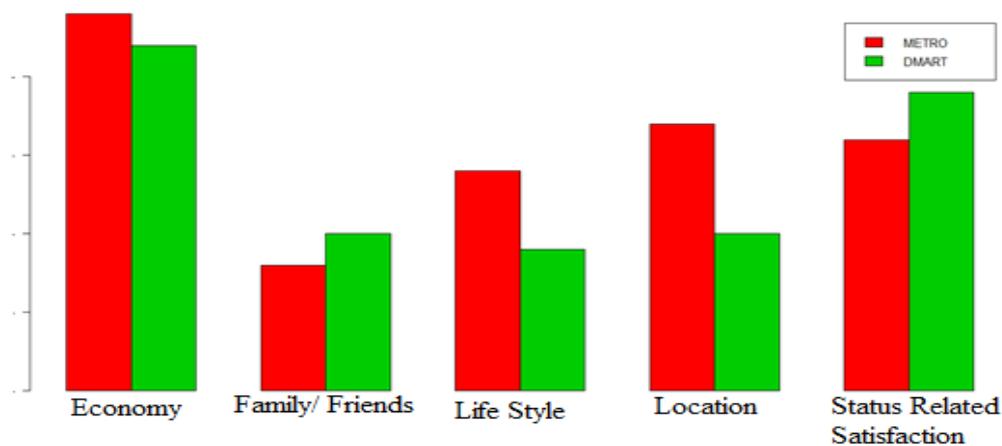


Figure 1: Features that influence purchasing decision.

A chi square test was conducted to test the null hypothesis at there is no significance between D-Mart and Metro in features that influence purchasing decision and it was found that $\chi^2(4,149)=2.94$ with **P value 0.569** this Means we may accept the null hypothesis with 56% confidence and we may conclude that there is no significant difference between D-Mart and Metro in features that influence purchasing decision and that was shown in figure 1.

(ii). H₂₀: There is no significant difference between D-Mart and Metro in purpose of visiting the store.

To test the above hypothesis, we shall use Chi-square test of Association. Results of the test are as below contingency tables

Table 3: Visiting the retail stores with respect to significance

| COMPANY | Enjoying Food Courts | Entertainment Only | Shopping and Entertainment | Shopping Only | Window-shopping | Total |
|---------|----------------------|--------------------|----------------------------|---------------|-----------------|-------|
| D-MART | 10 | 12 | 16 | 26 | 15 | 79 |
| METRO | 7 | 6 | 17 | 23 | 17 | 70 |
| TOTAL | 17 | 18 | 33 | 49 | 32 | 149 |

Table 4: χ^2 - Tests

| | Value | df | p |
|----------|-------|----|-------|
| χ^2 | 2.33 | 4 | 0.675 |
| N | 149 | | |

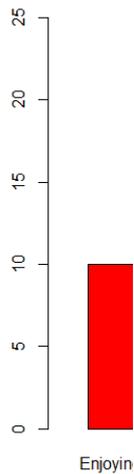


Figure 2 Purpose of visiting the store.

A chi square test was conducted to test the null hypothesis at There is no significant difference between D-Mart and Metro in purpose of visiting the store and it was found that $\chi^2(5,149)=2.33$ with P value 0.675 this Means we may accept the null hypothesis with 67% confidence and we may conclude that there is no significant difference between D-Mart and Metro in purpose of visiting the store and that was shown in figure 2

(iii) H3₀: There is no association between income level of the customer and the purpose for which he visits the retail stores.

To Test the above hypothesis, we shall use chi-square test of association.

Table 5: Visiting the retail stores with respect to income level

| COMPANY | Above Rs20,000 | Below Rs5000 | Between Rs10,001-15,000 | Between Rs15,001 to 20,000 | Between Rs5001-10,000 | Total |
|---------|----------------|--------------|-------------------------|----------------------------|-----------------------|-------|
| D-MART | 0 | 10 | 12 | 16 | 26 | 79 |
| METRO | 1 | 7 | 6 | 17 | 22 | 70 |
| TOTAL | 1 | 17 | 18 | 33 | 48 | 149 |

Table 6: χ^2 -Tests

| | Value | df | p |
|----------|-------|----|-------|
| χ^2 | 12.2 | 5 | 0.032 |
| N | 149 | | |

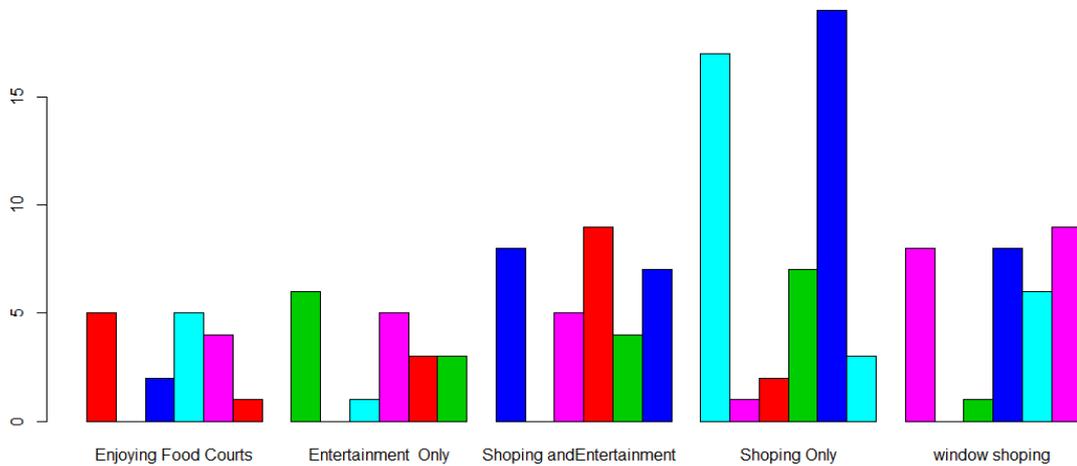


Figure 3: Purpose for which he visits the retail stores.

A chi square test was conducted to test the null hypothesis at There is no association between income level of the customer and the purpose for which he visits the retail stores. and it was found that $\chi^2(5,149) = 12.2$ with P value 0.032 this Means we may reject the null hypothesis with 97% confidence and we conclude that there is strong association between income level and purpose for which he visits the retail stores in D-Mart and Metro and that was shown in figure 3.

(iv) H_0 : The average expenditure of customer in retail store is not in the range of Rs 10,000-15000

Table 7: One Sample T-Test

| | | statistic | df | P |
|--------------|----------------|-----------|-----|-------|
| Income Level | Student's t | -2.77 | 148 | 0.006 |
| | Mann-Whitney U | 2232 | | 0.002 |

Note 1: H_0 : population mean $\neq 4$

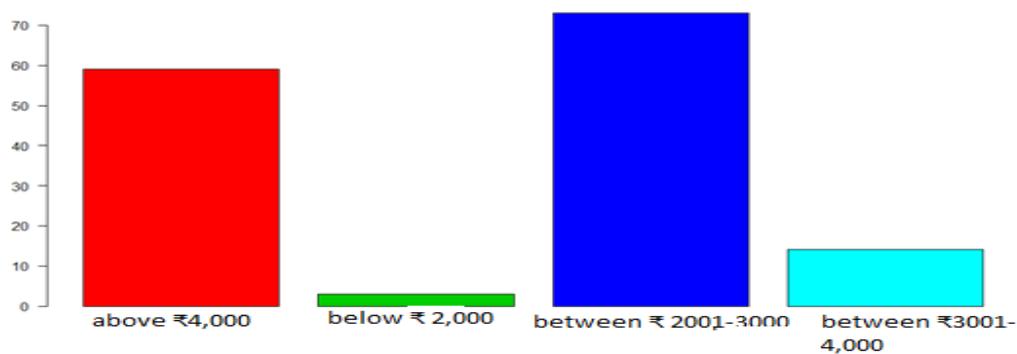


Figure 4th expenditure range of Rs 10,000-15000

The test was conducted to test the null hypothesis that the average expenditure of customer in retail store is not in the range of Rs10,000-15000, and one sample t-test (df 148) was conducted and the test static value is found to be -2.77 corresponding P-value is 0.006 thus we reject the null hypothesis with 99.94 confidence level. We conclude that average expenditure of the customer in the retail store is in the there is strong association between income level and purpose for which he visits the retail stores in D-Mart and Metro and that was shown in figure. 4.

(v). **H₅₀: There is no significant difference in average expenditure of the customer between D-Mart and Metro**

Table 8: Independent Samples T-Test

| | | statistic | df | P |
|--------------|----------------|-----------|-----|-------|
| Income Level | Student's t | -1.65 | 147 | 0.101 |
| | Mann-Whitney U | 2278 | | 0.057 |

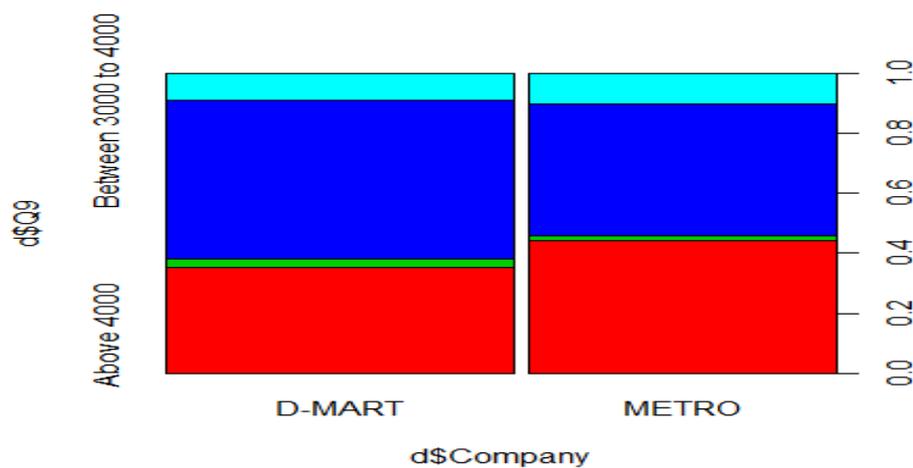


Figure 5 Significant difference in average expenditure

The test was conducted to test the null hypothesis There is no significant difference in average expenditure of the customer between D-Mart and Metro, one sample t-test (df 147) was conducted and the test static value is found to be -1.65 corresponding P-value is 0.101 thus we accept the null hypothesis with 99 confidence level. We conclude that average expenditure of the customer in the retail store is in the there is strong association between income level and purpose for which he visits the retail stores in D-Mart and Metro and that was shown in figure:5.

6. Conclusions

Table 9: Inference

| S.No | Hypothesis | P-Value | Decision |
|------|--|--------------|--|
| 1 | There is no significant difference between D-Mart and Metro with regard to features influencing to shop. | 0.569 | accept the null hypothesis with 56% confidence |

| | | | |
|----------|--|--|---|
| 2 | There is no significant difference between D-Mart and Metro in purpose of visiting the store | 0.675 | we may accept the null hypothesis with 67% confidence and we may conclude that there is no significant difference between D-Mart and Metro in purpose of visiting the store |
| 3 | There is no association between income level of the customer and the purpose for which he visits the retail stores | 0.032 | we may reject the null hypothesis with 97% confidence and we conclude that there is strong association between income level and purpose for which he visits the retail stores in D-Mart and Metro |
| 4 | The average expenditure of customer in retail store is not in the range of Rs 10,000-15000 | 0.006 And 0.002 | reject the null hypothesis with 99.94 confidence level. We conclude that average expenditure of the customer in the retail store is in the there is strong association between income level and purpose for which he visits the retail stores in D-Mart and Metro |
| 5 | There is no significant difference in average expenditure of the customer between D-Mart and Metro | 0,101 And 0.057 | we accept the null hypothesis with 99 confidence level. |

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