



Consumer Buying Decision Process in Indian Organized Retail Industry - Characterization of Male and Female Respondents

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ABSTRACT

The stages followed in buying decision process vary across the consumer group. The reason for this variation is due to the change in demographic features of the consumers, occupational changes, and knowledge derived through education, disposable income and majorly thinking process differences amongst genders. Broadly consumers can be classified into two large groups, based on gender, male and female. Sensitivity of a few class of consumer, getting attached with the product/brand emotionally due to the influence of the various factors due to the cognitive changes amongst the two gender groups. Many consumers' buy the products which would reflect their self-image. Several internal and external factors influence the consumers of both the groups to act towards the buying process. The reasons may not be visible explicitly but subconsciously there will be lot of behavioral activities which will be going on in the minds of male and female consumers. These changes may be due to the cognitive and affective motives between these two genders. As a marketer, one has to understand these changing motives between the gender groups and plan their marketing/promotion activities in order to attract both the group of consumers. In this paper authors attempt to study and present empirically the characterization of genders in consumer buying decision process in Indian organized retail industry.

Keywords: Organized Retail Industry, Consumer Buying Decision Process, Gender Characterization

JEL Classifications: D11, L8, M31

1. INTRODUCTION

Consumer buying decision process is the steps followed by consumers during their purchasing. This process varies due to the influence of various factors, classified based on internal and external. Internal factors include motivation, perception, personality, attitude and learning of a consumer. External factors include social settings, culture, media and economic variable. Influence of these factors depends on the demographic profile of the consumer like gender, age, education, occupation and income. Amongst these features of the consumer the most important is the gender. The rationality about buying habit will vary between the gender.

2. CONSUMER BUYING DECISION PROCESS

The process of understanding the consumer buying decision process is a challenge for every corporate. By the time company

executive feel that they have understood the consumer, there will be change in the process and its evaluation by the consumers. There are situations where the company has experienced the unexpected reaction from the consumers, both positive and negative, towards the product launched or promotion activity carried out or making the product available online. With so many researchers trying to understand the consumer buying behavior, still the mind of the consumer is a black box. In this section we try to understand the various researches done in the past related to understanding the consumer buying decision process, described step wise.

2.1. Need Recognition or Problem Awareness

In the first step, a consumer will identify need or problem. This identification is due to a requirement which arise due to the change in lifestyle, necessity or a new situation. This need will be divided into two major categories, viz., psychological and physical needs (Michael, 2006). According to Maslow (1954), the individual

needs are categorized into physiological, safety, social, esteem and self-actualization needs. This division of needs was uniformly accepted by the researchers and thinkers. Further studies were based on this need identified by Maslow. Consumer will also identify the need as a result of the previous need and will never be fully satisfied.

2.2. Information Search

After identifying the need, a consumer will start searching for the solution to satisfy that need or solve that problem. In the process consumer will rely on several external and internal sources. First and foremost source is the experience what a consumer has gone through previously. If that experience is not enough or if there is any changes in the way to satisfy the need or solve the problem, consumer will look for external sources for information to be collected. Oliver (2011), mentions that a consumer will go for the external search of information based on the value, importance and complication of the product. He further indicates that if the value of the product is low and is not important to his life then a consumer will restrict the search to the previous experience. Punj and Moore (2009), observes that this search will not only give options available for solving the problem, but also will give more insights about the product, choice available, different buying alternatives available and a strong reason to decide to buy a particular product. In this digital world, the information is available at the fingertips of the consumers. Ariely (2000), mentions that companies can modify the thinking of the consumer by controlling the flow of information. Thanks to the penetration of smart phones into the lives of consumers, anywhere anytime anyone can be connected with information.

2.3. Evaluation of Alternatives

The information collected by the consumers through different sources will be further analyzed for suitability of the need. Those alternatives identified will be evaluated with all pros and cons and with different evaluation criteria by applying different decision rules, *viz.*, non-compensatory and compensatory rules. While evaluating the alternatives, the consumer will list out the pre-existing criteria, which is developed by previous experience. These criteria can be divided into hard product attributes and soft product attributes as identified by Hallaq and Pettit (1983). The hard product attributes are the tangible benefits what a consumer will consider, like cost, performance and features of the product. Whereas, the soft product attributes are the intangible benefits, *viz.*, style, taste, prestige and brand image. Ha (2010), mentions in his study that the process of evaluation itself can become difficult sometimes. This can be due to scarcity of time and resources to be used for the process of evaluation. During evaluation of alternatives apart from the feature or criteria used for evaluating, the demographic characteristics of the consumer will play a major role.

2.4. Decision Implementation or Purchase

After evaluating the alternatives available based on the criteria chosen, the consumer will select one product to buy. This is the phase of consumer buying decision process where the actual purchase is going to happen. At this stage, consumer will get influenced by the country-of-origin effect and the consumer

ideologies. Inman et al. (2002), mentioned that while making a purchase of the product decided, consumer will land up in making some unplanned purchases as well. These unplanned purchases will be a result of attractive offers or purely due to the characteristics of the consumer. Hoyer and Macinnis (2008), mentions that even though a consumer would have been through all the stages meticulously, still the purchase decision depends on the availability of stock and store executives influence.

2.5. Post-purchase Evaluation

The purchase made is satisfactory or not will depend on whether the need was fulfilled or not. If the need was fulfilled or if the problem was solved then there is a chance that consumer will recommend the product to others and also consumer will buy the same product the next time. Making the consumer satisfied is the aim of any company, through which they can achieve brand loyalty and good will. Consumer will not give much importance to post-purchase evaluation if the product has satisfied the need. Also, the evaluation of the purchase will not be done thoroughly, until and unless if the consumer is an opinion leader. The companies are happy with the purchase of the product by the consumer; they will not give much importance to post-purchase evaluation. The companies will forget that this evaluation by the consumer will be the most important factor for the next purchase or reference. Ofir (2005) and Brink and Brendt (2009), mentioned the importance of this stage for the next purchase of the consumer and how the companies are neglecting it. Not only about the consumer, will the influence from the reference groups also play a major role during this stage of post-purchase evaluation.

3. INDIAN RETAIL INDUSTRY

India being a developing nation with a boom in internet and ecommerce, the organized retailing sector is growing tremendously over the decade. This growth has also contributed to a significant extent to the gross domestic product (GDP) of the nation. Retailing is not only about making product available on the shelf for the consumers, but it also includes various facets of supply chain. The growth in organized retailing has also helped various other industries, like logistics, packaging, software and so on. In India, the retail industry is divided as unorganized retailing like department stores, discount stores, variety stores, mom-and-pop stores, general stores, convenience stores and cart vendors and organized retailing which includes supermarkets, warehouse stores, specialty stores, hypermarkets, showrooms, malls, category specialists, e-tailers and vending machines.

Indian organized retail industry is growing at 20% per annum and rising its contribution to the GDP with a contribution of around 15%. As on 2015, the Indian retail industry is estimated to value around US\$600 billion. Indian retail space is considered as the fastest growing consumer market in the world. Even though nearly 90% of the Indian retail sector is unorganized, that 10% organized sector has attracted many big world retailers to turn towards India. The organized retailing is slowly penetrating to sub-urban parts of India as well. This expansion will definitely start a new trend of growth in the Indian retail sector. The inflow of foreign direct investment into retail industry has crossed US\$100

million. As a supplement to the traditional retailing, the online retailing space is been seeing tremendous growth in past 5 years. Many major global players like Bulgari, Paul Smith, Bottega Veneta, Jimmy Choo, Etro, Armani, Walmart and waiting to enter Indian retail space.

4. OBJECTIVES OF THE STUDY AND THE METHODOLOGY ADOPTED

4.1. Objectives of the Study

- To study the consumer decision making process as a whole in retailing scenario.
- To identify the influence of gender on decision making process in organized retailing.

4.2. Methodology Adopted

This research paper, author(s) has studied the characterization of gender on consumer buying decision process in Indian organized retail industry. To conduct an empirical study to understand and conclude author(s) followed:

Research design: Descriptive research.

Secondary data was collected through various research articles published in different national and international journals and publications.

Primary data collection tool: Structured questionnaire.

Sample frame: Educated segment of consumers of Karnataka between the age group of 18-58 years (working class).

Sample size: 300 respondents.

5. ANALYSIS AND DISCUSSIONS

5.1. Descriptive Analysis

The descriptive statistics for each factor are presented in Table 1. The gender characterization at different stages of consumer buying decision process are analyzed using correlation, results are shown from Tables 2 to 11.

5.2. Correlation Analysis

The analysis gender influences on consumer buying decision process are summarized here based on the correlation.

From Table 2, it can be seen that the consumers, irrespective of the gender, will not wait for the earlier/existing product to wear out before buying a new one. While identifying the need for the purchase, both the group of consumers are having the same opinion that in majority of instances the identification of need is not based on the any external influence. The major difference between two groups of consumer is when they will identify the need, while male consumers opine to buy when really necessary whereas female consumers are not favoring it completely. So as a whole, the correlation between two groups of consumers, 0.83 (Table 3), indicate there is a high degree of positive correlation.

Table 1: Descriptive statistics

Steps	Number of items	Mean	Standard deviation	Standard error
Need recognition	10	3.304	0.312	0.098
Information search	10	3.743	0.361	0.115
Evaluation of alternatives	10	3.782	0.175	0.055
Decision implementation	10	3.070	0.351	0.111
Post purchase	10	3.512	0.478	0.151
General process	10	3.624	0.198	0.063

Table 2: The mean score of genders' opinion towards need recognition

Statements	Mean score	
	Male	Female
I buy for occasions	3.69	3.47
Product offer would influence me to buy	3.42	3.45
I buy only when it's really necessary	4.01	3.78
I would buy from a store(s) because of the offers given by them	3.09	2.92
I go for shopping in leisure time	3.38	3.43
I buy the product only after the earlier product wear out	3.25	2.73
My family member/s initiate a need	3.34	3.25
I identify a need based on the purchase made by my peer group	2.91	2.74
I buy the product(s) when it is available at the lowest price	3.32	3.07
I buy it on impulse	3.09	3.27

Table 3: The correlation value between male and female opinion towards need recognition

	Male	Female
Male	1	
Female	0.827596	1

Table 4: The mean score of genders' opinion towards information search

Statements	Mean score	
	Male	Female
I have a fair knowledge about the product(s) which I would want to buy	4.24	3.84
I would want to get better idea of prices charged at different stores	4.05	4.02
I would want to know more about different brand/s available	4.08	3.94
I have a good information about various store(s) available to purchase a particular product	3.78	3.78
I would go through various websites and/or stores to gather more information about the product(s)	4.09	3.93
I would interact with my peer groups to gain more insight about the product(s)	3.76	3.58
I would not worry much on collecting the information about the product(s)/store(s)	2.93	2.83
I would interact with my peer groups to gain more insight about the store(s)	3.47	3.68
I would want to know more about different offers provided at different stores	3.81	3.39
I would rely more on my previous experience rather than on the information given by peer group/available online	3.69	3.49

Table 5: The correlation value between male and female opinion towards information search

	Male	Female
Male	1	
Female	0.875322	1

Table 6: The mean score of genders' opinion towards evaluation of alternatives

Statements	Mean score	
	Male	Female
I discuss with my peer groups for evaluating on the alternatives considered	3.67	3.63
I give more importance to consumers feedback while evaluating the alternatives	3.86	3.6
I refer to the reviews mentioned in various website while evaluating the options	3.87	3.62
I consider different product characteristics/features when evaluating	3.99	3.82
There are many store related factors to consider	3.59	3.44
I give more importance to the brand value of a product or store	3.65	3.92
I give more importance for the quality of the product/service offered	4.15	4.2
I would compare between the product(s) and store(s) about its features and offers before making a buying decision	3.76	3.94
I would consider the availability and after sales support for the product(s) before making a buying decision	3.72	3.96
I would consider the additional benefit offered by the store(s), apart from selling the product, like insurance, before making a buying decision	3.56	3.74

Table 7: The correlation value between male and female opinion towards evaluation of alternatives

	Male	Female
Male	1	
Female	0.511521	1

In information search stage of buying process, the sources through which both groups of consumers search are more or less the same (Table 4). Amongst the information what these both groups want to collect, the information about the price of the product at different market place is the more predominant. The second type of information collected by the respondents is about the offers provided at different stores. Even though both groups have similar insight towards information search, correlation of 0.88 (Table 5), still male group feel they have fairly good knowledge about the product(s) as compared to female counterparts.

At evaluation of alternatives stage, the consumers, both groups, differ a bit. The parameters used to evaluate the alternatives vary, at large, between the groups. This could be due to their natural characteristics and style. From Table 6, it can be observed that female group is for more value for money than male group while evaluating the alternatives. If we compare it overall, the correlation between these two groups for evaluation of alternatives is positive, but not as high degree as it was in previous two stages, i.e., 0.51 (Table 7).

Table 8: The mean score of genders' opinion towards decision implementation

Statements	Mean score	
	Male	Female
I would prefer buying from a road-side store/footpath vendor if the product is not of high value/important	3.21	3.42
I would prefer doing an online purchase rather than going to the outlet	3.38	3.26
I prefer making a purchase on credit card	3.34	3.13
I would buy in an exclusive outlet/s	3.41	3.29
I buy it only in a particular period of the year	2.65	2.73
I would prefer shopping at a place where I could get all products (supermarkets/hypermarkets)	3.35	3.58
I would prefer to buy from a retailer next door, rather than a wholesaler far-away	3.26	3.31
I would opt for a finance scheme while purchasing a durable good/s	2.91	3.06
I would prefer to buy from a store where I may get better offers, like free home delivery	3.18	3.54
I would take more time in the store to make purchase	3.58	3.54

Table 9: The correlation value between male and female opinion towards decision implementation

	Male	Female
Male	1	
Female	0.764969	1

Table 10: The mean score of genders' opinion towards post purchase behavior

Statements	Mean score	
	Male	Female
I feel very satisfied after shopping	3.63	3.78
I would go to the same store(s) again, even though my previous shopping experience was unpleasant	2.75	2.31
Shopping at supermarkets/hypermarkets is too time consuming	3.44	3.64
I would like to evaluate on the store(s) after purchase, before recommending to others	3.71	3.62
I would want to avoid any regrets over having made the wrong decision	3.74	3.9
I would compare the performance of the product(s) with that of the promise made by the manufacturer	3.72	3.94
I will become loyal customer to the product/store, if satisfied with the shopping experience	3.75	4.02
If satisfied with the product(s)/store(s), I would recommend to others	4	4.04
I would blame the store(s)/provider(s) for any dissatisfaction aroused	3.53	3.52
I tend to be satisfied with the shopping experience, even though the product is not matching my expectations	2.75	2.59

Both groups of consumers, male and female, have a inclination towards buying the product with the local vendor rather than going in search of a showroom when the value of the product is not high. But the product is important and high value then they would prefer going to exclusive outlets for purchasing. Also it was found from Table 8, that the consumer are not totally inclined towards opting for finance scheme while purchasing

Table 11: The correlation value between male and female opinion towards post purchase behavior

	Male	Female
Male	1	
Female	0.969768	1

durable goods. The correlation value between two groups for decision implementation is 0.76 (Table 9) with high degree of positive correlation.

When it comes to post purchase behavior, the opinion of both groups of consumers perfectly match, having very high degree of positive correlation, 0.97 (Table 11). This means, the behavior of both set of consumers after purchase is the same. Whether satisfied or otherwise the behavior towards the product, brand, company or the store retailer is the same with both genders of consumers.

6. LIMITATIONS OF THE STUDY

Despite all possible efforts to make the analysis more comprehensive and scientific, a research of the present kind is bound to have certain limitations; author(s) humbly submits them at this stage. The present study is an empirical work presented in descriptive manner. Since the objectives of the study; may will be met by this kind of analysis, no attempt has been made to provide comprehensive conceptual analysis. Some of the other limitations of the study are as follows:

1. The investigator is well aware of the limitations of interview method, observation techniques and questionnaire method.
2. Due to time constraint and other supporting factors the study has been limited only to 300 sample size in selected cities of Karnataka.
3. Since analysis is based on opinions and attitudes of educated consumers, the results at best are near to truth.
4. The statistical tool chosen for analysis is correlation, which has its own limitations.

7. CONCLUSION

In this study, the author(s) have made an effort to understand the influence of gender on consumer buying decision process in Indian organized retail industry. Amongst all the phases of consumer buying decision process, at the stage of evaluating the alternatives the factors considered vary between the two gender groups. This is due to the importance given to the various factors by two groups of consumers. Due this variation at evaluation stage the decision implementation will also vary a little. Though there is a small variation between the two groups of consumers, their behavior at different stages of consumer buying decision process is the same having high degree of positive correlation, except for the stage evaluation of alternatives, the correlation value is a bit lesser than at the other stages. Thus it can be concluded that both groups will follow the same sequence of the phases before making a buying decision.

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