

ICTMS-2013

Analytical study of shopping motives of young customers for selected product categories with reference to organized retailing in select metropolitan select cities of India

Vivek Sane ^a, Komal Chopra ^{b*}^a*Symbiosis Institute of Business Management, Symbiosis International University, Lavale, Pune, India*^b*Symbiosis Institute of Management Studies, Symbiosis International University, Khadki, Pune, India*

Abstract

The paper analyses the shopping motives of customers in the age group of 15 to 29 years with reference to organized retailing in metropolitan cities of India. Two metropolitan cities, Pune and Mumbai have been selected for the study. The respondents were asked to identify their predominant shopping motives in organized retail out of a set of 23 motives and relate it to six product categories i.e. books and music, apparel, consumer electronics, eyewear, personal care and home décor using a structured questionnaire. The motives were divided into three broad categories, namely utilitarian motives, hedonic motives and Correspondence analysis was administered to identify the predominant shopping motives for each product category. The findings indicate that hedonic and convenience motives play a predominant role while shopping in organized retail outlets by the selected age group. The paper provides an important perspective to retailers and research has shown that satisfaction of shopping motives leads to retail patronage

© 2014 The Authors. Published by Elsevier Ltd. Open access under [CC BY-NC-ND license](#).
Selection and peer-review under responsibility of the Organizing Committee of ICTMS-2013.

Keywords: Motives; Organized retail; Shopping

1. Introduction

India ranks as the fifth most emerging destination for retail in the world (A.T. Kearney's annual Global Retail Development Index, 2012). The retail market in India is divided into organized and unorganized retail. Organized

* Corresponding author. Tel.: +0-000-000-0000 ; fax: +0-000-000-0000 .
E-mail address: chopra.k@sims.edu

retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. (Ninetieth Report of Parliamentary Standing Committee on Commerce related to FDI in Retail, Government of India, 2009). Unorganised retailing refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner operated general stores, paan/beedi shops, convenience stores, hand cart, pavement vendors, etc. (Ninetieth Report of Parliamentary Standing Committee on Commerce related to FDI in Retail, Government of India, 2009).

The share of organized retail market as a percentage of the total market is estimated to be 6.5 % ie Rs 1,26,680 crore of the total retail market which is Rs 19,48,916 crore (Indian Retail Report, 2011) and is growing at a CAGR of 27.69 % contributing 2.1 % to the GDP (Indian Retail Report, 2011). There has been a shift in urban consumer shopping behaviour towards organized retail as they seek more product variety and all kinds of products under one roof (Indian Retail Report, 2011). Other factors contributing to the growth of organized retail include rapid urbanization, double income households, changing customer lifestyles and deep penetration of credit / debit cards (National Skill Development Report on Retail, IMA CS, 2009). Consumers have saved more money through discount shopping in organized retail outlets. (ICRIER Report, 2008). The paper investigates the role of consumer shopping motives of young customers. Motive has been explained by different researchers in different ways. The current research has taken the following definition. “Motives are driving forces that impel individuals into action” (Shiffman and Kanuk, 2003). Young customers refers to the selected customer age group of 15 to 29 years which accounts for 100 million population of India (Outlook Business, July 7, 2012).

Approximately 60 % of the Indian population is below 30 years of age (Deloitte Report on Retail, 2011). 100 million people are in the age group of 15 to 29 years (Census of India, 2011). The young Indians are brand conscious (Deloitte report on Retail, 2011), have access to more money and are spending on mobile phone, fashion, accessories, food and beverage, etc (PWC, 2011). The median age of population in Maharashtra is projected to be around 29 years by 2016 (National Commission on Population, 2006). The age group selected for study is 15 years to 29 years as this age group accounts for large population of the country and this is also the consumer segment that most companies are targeting. (Outlook Business, 2012). Another reason for selecting the particular age group is that it accounts for younger generation; both working and non-working, married and non-married. This age group of population will be major contributor to growth of retail (Deloitte Report on Retail, 2011).

The metropolitan cities of India account for 68 % of organized retail and are expected to show significant growth in next 10 years (Economic Intelligence Unit, 2006). According to the Constitution of India's 74th Constitutional Amendment, 1992, a metropolitan city is defined in clause (c) of Article 243P as follows: “Metropolitan area means an area having a population of ten lakhs or more, comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other contiguous area, specified by the Governor by public notification to be Metropolitan area for the purposes of this Part”. According to the Census of 2011, there are 53 metropolitan cities in India (Census of India 2011, Press Information Bureau, Government of India). Cities with population of more than 1 million are on the “watch list” of pioneering retailers and mall developers (Jones Lang Lasalle Meghraj, 2007). The west region dominates in terms of organized retail ie the three states, namely Goa, Gujarat and Maharashtra - account for close to 40 per cent of the total organized retail market (Frost and Sullivan, 2008). Of the 325 malls in India by 2011, 114 are in the western region with Mumbai, Pune and Nagpur showing major growth of shopping malls in the western region (Govt of Maharashtra report on Skill Development in Organized Retail, 2012). According to Retailers Association of India, “Organized retailing in India, especially in Maharashtra, has been steadily growing at more than 35% CAGR, year on year for the last two years, bringing various benefits to the state. They have advocated to Minister of Industries, Maharashtra Government and Maharashtra Industrial Development Corporation (MIDC) to include organized retailing in the sectoral focus area of MIDC for setting up retail stores and malls in Maharashtra”. Hence the metropolitan cities in Maharashtra have been selected for study.

The selected product categories under study refers to those product categories whose percentage share of organized retail market to the total retail market exceeds 15 %.

2. Review of Literature

It is important for retailers to examine consumer shopping motives before finalizing their marketing strategy. Several researchers have studied shopping motives, resulting in a broad range of literature. Within the context of a buying process, the customer compares the characteristics of a retail outlet with his/her shopping motives and

Download English Version:

<https://daneshyari.com/en/article/1116216>

Download Persian Version:

<https://daneshyari.com/article/1116216>

[Daneshyari.com](https://daneshyari.com)