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Retail store perceptions and buying behavior of consumers: A case study in Saudi Arabia.

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Abstract

This paper was deliberated the consumer buying behavior in purview of marketing mix activities in retail outlets in Saudi Arabia. Survey of 150 customers in Al Kharj region was revealed that majority were felt happy to shop at both organized and unorganized retail outlets. It was found that mainly the feel good factors for shopping had influenced more to prefer the both types of retail outlets. However, the sources of information that was influenced the customers was highly balanced due to their tendency to depend on different types of information sources. The buying decisions of customers were observed more routine and their responses were casual to different types of marketing mix activities that were undertaken by the retailers. It was observed that the factors like cheaper prices, bargains, and credits available at both organized and unorganized retail stores were not that much cumbersome factors that were influenced the sample of respondents in this study. Overall, from the perspectives of customers, this study was identified positive results of marketing mix activities undertaken at retail stores in Saudi Arabia.

Key words: retailers; buying decision; consumer problem solving; routinized response behavior.

Introduction

Current marketing considers the consumer as the start and end of its exercises, in light of this idea, the association needs to plan, sort out, direct and control its assets and exercises keeping in mind the end goal to

fulfill the focused on consumer's needs and wants. This is to be accomplished by giving goods and services the particulars and amounts and at the spots, times, costs and terms that suit the consumer.

Consumer behavior is the investigation of how singular clients, gatherings or associations select, purchase, utilize, and arrange thoughts that would lead to the decision making of best selection of products from the view point of socio-cultural backgrounds of people in society.

marketers expect that by understanding what makes the consumers purchase specific merchandise and ventures, they will have the capacity to decide—which items are required in the marketplace, which are out of date, and how best to introduce the products to the consumers.

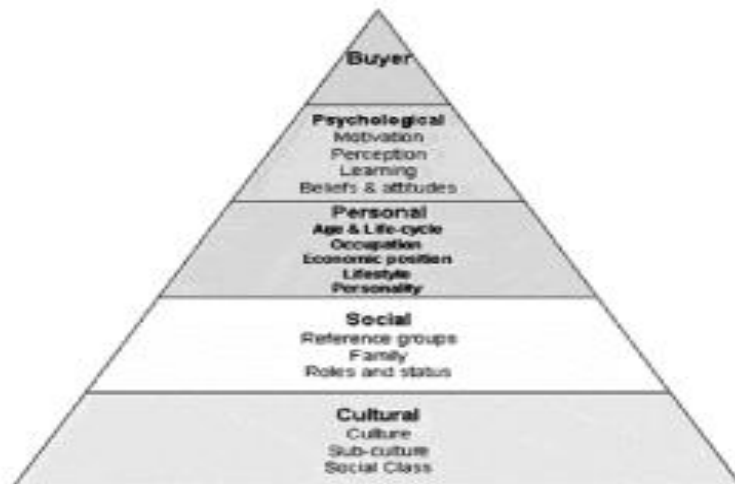
Definition of consumer behavior

As defined by Engel, Kollet and Blackwell, the study of behavior of consumers was the peoples actions and decisions while purchase the products in the market and their attitudes towards services of companies.

Factors influencing consumer buyer behavior

At whatever point we purchase anything our official choice, as a consumer will be influenced by specific elements. Some of these main considerations are as given underneath:

- Cultural
- Social
- Personal
- Psychological



Retailer

Retailer perceives the products from many focuses. The organizations which offer most extreme benefits to Retailer, give better sales promotion, treat reasonably and so on are victors.

A retailer likewise perceives the products are same route as consumer does yet with a slight contrast being used of products. A consumer perceives the product from the perspective for conclusive utilization yet retailer does perceive the product with a view to boost his benefits. The discernment procedure of retailers additionally comprises of the parts like retailer imagery, perceived product quality, perceived benefit quality, retailer's state of mind and all what a consumer perception comprises.

Why this study is important. (Rationale of this study)

- Modern Philosophy
- Accomplishment of Goals
- Valuable for Dealers and Salesmen
- More Relevant Marketing Programme
- Adjusting Marketing Programme over Time:
- Foreseeing Market Trend
- Consumer Differentiation
- Creation and Retention of Consumers:
- Rivalry
- Developing New Products
- Dynamic Nature of Market
- Powerful Use of Productive Resources

It is to be said that the investigation of consumer conduct isn't imperative for the current sales, yet additionally helps in catching the future market. Consumer behaviour accept: Take care of consumer needs, the consumers, consequently, will deal with your necessities. The greater part of issues can be sensibly illuminated by the investigation of consumer behaviour. Current showcasing practice is practically inconceivable without the investigation of consumer behaviour.

Literature review

Specialists have been led many examinations to comprehend consumer buying conduct, for example,

Kotler and Keller (2012) expressed that price is the one component of the advertising mix that produces revenue; alternate components create costs. They likewise expressed that buy choices depend on how consumers see prices and what they view the current real price as. Seeing how consumers land at their perceptions of prices is a critical advertising need.

According to Manali Khaniwale (2015) Consumer behaviour includes the investigation of people and the strategy they utilize to pick, use, and set out products and services by utilize different set of strategies reflecting the marketing mix activities and other promotional activities to ultimately

satisfy the customers and improve their satisfaction levels. Consumer conduct alludes to all the idea, emotions and activities that an individual has or takes earlier or while buying any product, administration or thought. Buyer behaviour is the idea which answers what, why, how, when, and where an individual makes buy. Accordingly, the result of buyer behaviour is the buyer's decision. As indicated by Kotler and Keller (2012) consumer conduct is the investigation of how people, groups, and associations select, purchase, utilize, and discard merchandise, services, thoughts, or encounters to fulfill their necessities and needs.

Gedenk (2002) has clarified the here and now and long haul impacts of promotional pricing to a firm. As per his view, in the short run the consumers are changing to the specific store which offers promotional costs. And furthermore, the consumers are changing to the brands which are occupied with promotional pricing every now and again. Furthermore, new clients are produced through this procedure. What's more, promotional pricing quicken the buys and at last it adds to the firm to produce higher benefits.

According to Rigges (2008), evaluating is the way toward deciding and applying prices to goods and services. It is one of the four Ps of marketing (Product, Place, Price and Promotion) and it is maybe the most essential one since it is the main factor that

creates income to the organization. Prices are controlled by the adjustment of free market activity and set with a specific level of certainty that buyers will pay it.

Objectives

1. To examining the conduct of consumer towards buying choice, and their decisions towards marketing activities of retailers,
2. To distinguish the potential of consumer buying conditions at retail stores,
3. To examine consumers buying strategy, shopping need amid shopping at retail location at Saudi Arabia,
4. To discover the consumers perception towards retail stores, and
5. To discover what factors are influencing to the consumer conduct at retail stores.

Research methodology

This study was analyzed the perceptions of customers towards retail marketing activities at Al-Kharj city towards purchasing. A simple random sampling has been conducted of 150 respondents of age between 15-60 (male) during the period of two months of June and July 2017.

Data

Primary data is used in this study to identify the behavior of consumers through interview at their places (home, workplace or by telephone).



Products

Interview was done on selected products i.e. vacuum cleaner, kitchen appliances, microwave oven, mobiles.

Study results

Following are the study results.

Table 1 – Customers preferences for buying at stores.

Marketing Mix	Reasons	Organized Retail (N=80)	% age	Rank	Unorganized Retail (N=70)	% age	Rank
Product	Varieties available	5	6.3	7	6	8.6	2
	After sales services	6	7.5	6	6	8.6	2
	Brand reputation	7	8.8	3	4	5.7	8
	Quality or Design	4	5	9	5	7.1	6
Price	Cheaper	3	3.8	13	8	11	1
	Discount prices	5	6.3	7	6	8.6	2
	Genuine prices	4	5	9	2	2.9	13
	Credit payment	2	2.5	15	4	5.7	8
Place	Convenient to go	7	8.8	3	2	2.9	13
	Stock availability	4	5	9	5	7.1	6
	Parking facility	4	5	9	3	4.3	11
	Shopping feel	7	8.8	3	8	11	1
Promotion	More offers available (warranties etc.)	8	10	2	2	2.9	13
	Attractiveness of store	3	3.8	13	4	5.7	8
	Convenient for family and kids shopping.	2	2.5	15	2	2.9	13
	Feel good/happy factors.	9	11	1	3	4.3	11
Total		80			70		



Results – The above table represents marketing mix in organized retail & unorganized retail stores. It was found that feel good happy factor (ranked 11 in both

organized and unorganized retail stores) was influenced the customers to prefer the stores. & also above table shows the percentage comparison between organized retail & unorganized retail stores.

Table 2 – Information sources influenced the consumers to prefer the stores.

Source of Information	Organized Retail (N=80)								Unorganized Retail (N=70)							
	P1	%age	P2	%age	P3	%age	P4	%age	P1	%age	P2	%age	P3	%age	P4	%age
Family members	10	12.5%	8	10%	12	15%	9	11.25%	5	7.14%	11	16%	10	14.28%	4	6%
Relatives	15	18.75%	7	8.75%	11	13.75%	8	10%	6	9%	12	17.14%	14	20%	3	4.28%
Friends	4	5%	6	8.5%	10	12.5%	6	7.5%	9	13%	13	19%	5	7.14%	9	13%
Personal experience	3	3.75%	5	6.25%	9	11.25%	5	6.25%	8	11.42%	4	6%	3	4.28%	7	10%
Advertisements	8	10%	4	5%	8	10%	10	12.5%	7	10%	7	10%	2	3%	5	7.14%
Word of mouth	5	6.25%	9	11.25%	7	8.75%	12	15%	6	9%	6	9%	11	16%	9	13%
Crowd in store	9	11.25%	3	3.75%	2	2.5%	14	17.5%	5	7.14%	5	7.14%	9	13%	12	17.14%
Reputation/goodwill of Store	8	10%	11	13.75%	4	5%	2	2.5%	9	13%	4	6%	3	4.28%	11	16%
Other retailers Recommended	11	13.75%	14	17.5%	3	3.75%	3	3.75%	5	7.14%	6	9%	7	10%	8	11.42%
Past experience	7	8.75%	13	16.25%	14	17.5%	1	1.25%	10	14.28%	2	2.85%	6	9%	2	3%



Results – The above table represents sources from which the consumers were influenced to prefer the stores i.e. unorganized retail & organized retail stores.

we should go for organized retail store because this retail stores had the higher percentages in compare to unorganized retail.

Hence all variables show the percentage level between unorganized retail & organized retail stores. As per above table

Decision making

D1 – Extended Problem Solving. (Think more times about the store with lots of doubts about store in mind)

D3 - Routinized Response Behavior (Do not think anything about store and just go without any doubts about store)

D2 – Limited Problem Solving. (Think little or less times about the store with few doubts about store in mind)

Table 3 - Types of buying decisions perceived before to visit the stores.

Decision Type	Organized Retail (N=80)								Unorganized Retail (N=70)							
	P1	%age	P2	%age	P3	%age	P4	%age	P1	%age	P2	%age	P3	%age	P4	%age
D1	20	29%	18	22.5%	25	31.25%	33	41.25%	25	36%	35	50%	42	60%	25	36%
D2	35	50%	26	32.5%	26	32.5%	28	35%	10	14.28%	13	19%	22	31.42%	24	34.28%
D3	25	36%	36	45%	29	36.25%	19	24%	35	50%	22	32%	6	9%	21	30%

Results – The above table represents the buying decision behavior of consumers before visiting stores, so as per above table

again we prefer organized retail stores because this organized retail has higher rank and the above table shows the percentage



Findings

1. The inquires about took the three essential factors, for example, Discount offers, bargains, and low cost for cost of good. This purchaser goes under economy shopping consumers. Consequently these consumers might be taken as "economy shopping Conscious Consumers".
2. The inquires about took the four essential factors, for example, lonely, stressed, get unwinding, dodge movement, to escape work. These announcements are emblazoned the clients "relaxation" focused. Henceforth the scientist named as "relaxation Conscious Consumers"
3. There are distinctive variables that influence the behaviour of consumer
4. salesperson gives an extensive variety of administrations and fulfills the client by giving the definite investigation on the utilization of items and instructs them in getting greatest advantages from their items.
5. The investigation recommends that the consumers give the most significance to ease of access to shelves in retail stores and space between racks to create more interest in choosing varieties of products. It was seen protection of customer data can be enhanced by guaranteeing that at no time of time the customer is requested immaterial personal data.

Conclusion

It likewise demonstrated that there is no measurably huge contrast between the reactions of customers because of marketing mix activities at retail stores and about the examination's inquiries identified with the four types of marketing strategies aside from there is a factually distinction between the reactions of customers towards the marketing mix strategies of retailers. In light of the paper's decision, retailers and merchants are prescribed to precisely think about customers buying behavior which is a standout amongst the best approaches to know consumers' interests when settling on a buy choice and to set appropriate costs to their things as evaluating directly affects an organization's income and subsequently to its prosperity. It is prescribed that to section

Suggestions

1. Stores ought to have more risk lessening exercises as saw risk could emphatically impact customers 'purchase choices. What's more, particular sorts of saw risk like frauds ought to be dealt with in various situations.
2. Stores ought to give quality products to the buyers
3. Stores ought to give the individual support of the clients by method for salespersons since customers are probably going to manage sales individual before to purchase. An



consumer in view of demographic attributes and concentrate painstakingly their necessities and eagerness to purchase products or administrations. Additionally, here is a critical factor that influences consumer purchasing conduct in positive way which is personal experience and word of mouth communications.

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