



ANALYSIS OF CONSUMER BEHAVIOR: A CASE STUDY

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Abstract:

This study report throws light on the reasons behind customer's decision of choosing Pantaloons for purchase of Apparels and various other products from Pantaloons. It also describes the satisfaction of customer and their attitude towards various touch points in the store.

The work was accomplished at Pantaloons store, for conducting survey and fulfillment of questionnaires. A sample size of 100 was selected & research was conducted. Among those who were interviewed consist of housewives, professionals, and even college going students. Though the sample size considered was small but it was so varied in order to overcome all the odds. Convenience sampling method was considered to be best suited to fulfill the study report. Through survey effect of various factors like ambience of store, low prices and convenience which is also known as customer's touch point came in light and the reason of people choosing Pantaloons over other retail outlets became clear. These surveys can provide management with the information they need to determine their customer's level of satisfaction with their products and with the services associated with those products. Employees and the management of the store can use the survey information to identify opportunities for ongoing process improvements and to monitor the impact of those improvements. Dissatisfied customers will tell seven to 20 people about their negative experience. A satisfied customer will only tell three to five people about their positive experience. So a retailer should always think in that way to satisfy their customer and delighting them with the services which competitors never think of.

Key words: Consumer Behavior, Touch Points, Retail, Customer Satisfaction

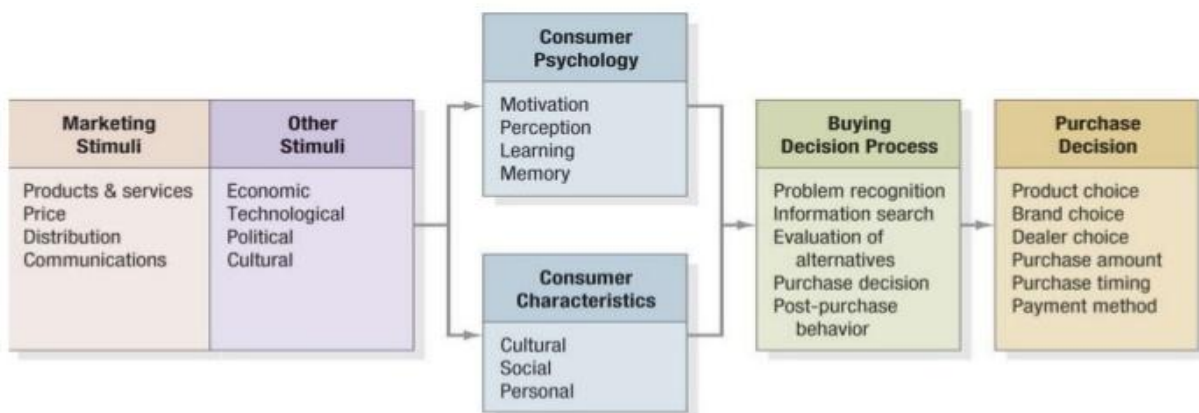
INTRODUCTION

The Indian Retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organized retailing. A T Kearney, a US Based global management consulting firm has ranked India as the fourth most attractive nation for

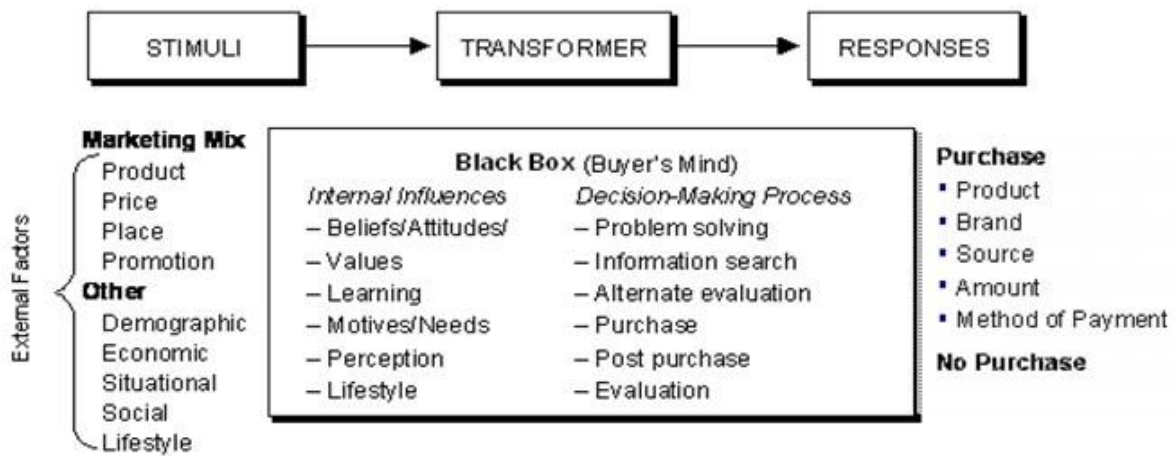
retail investment among 30 flourishing markets. The retail market is expected to reach a whopping Rs. 47 lakh crore by 2016-17, as it expands at a compounded annual growth rate of 15 per cent, accordingly to the ‘Yes Bank - Assocham’ study.

The retail market, (including organized and unorganized retail), was at Rs. 23 lakh crore in 2011-12. According to the study, organized retail, that comprised just seven per cent of the overall retail market in 2011-12, is expected to grow at a CAGR of 24 per cent and attain 10.2 per cent share of the total retail sector by 2016-17. In terms of sheer space, the organized retail supply in 2013 was about 4.7 million square feet (sq. ft.). This showed a 78 per cent increase over the total mall supply of just 2.5 million sq. ft. in 2012. “Favorable demographics, increasing urbanization, nuclearisation of families, rising affluence amid consumers, growing preference for branded products and higher aspirations are other factors which will drive retail consumption in India,” said DS Rawat, Assocham Secretary General.

Consumer behavior blends elements from psychology, sociology, social anthropology, marketing and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups such as how emotions affect buying behavior. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. Customer behavior study is based on consumer buying behavior, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behavior is difficult to predict, even for experts in the field.



Source: “Marketing Management: A South Asian Perspective (14th edition)” by Kotler, Keller, Koshy, Jha. Pg.-140



Model of consumer behavior (Black box model)

The another main concept in retail industry which needs to be studied is customer touch points. “Customer touch points are your brand's points of customer contact, from start to finish”. For example, customers may find your business online or in an ad, see ratings and reviews, visit your website, shop at your retail store, or contact your customer service. Wherever the customer comes in either Physical or mental contact with the store, can be termed as customer touch points. The customer touch points are key in defining as well as sustaining the relationship between the retailer and its customers. They create ‘WOW’ and bring them back again and again or can sometimes be the single biggest factor is chasing away clients to competitors. The ‘touch points’ are thus the single most important factor in customer service. The multiplicity as well the sensitivity involved keeps retailers challenged at all times and a superior customer service invariably involves great customer experience within and outside the store. Therefore identifying the touch points is the first step toward creating a customer journey map, and making sure your customers are satisfied every step of the way.

Parking -Safe - Spacious -- Well Marked	Security -Courteous -Professional - Trained	Layout - Wide Aisles -- Convenient -- Trial rooms	Ambience - Music -- Smell -- Colors/Mood	Signage -Direction -Location --Security	Talkers -Price -Promo -Size
Associates -Trained -Knowledgeable -Attitude to help	Hygiene -Clean Toilets -Clean CSA's -- Clean Fixtures	Merchandise -No Stock outs - Well organized	Services -Valet -Home Delivery -- Free gift Wrap	Extra Services -Drop box -ATM -- Alteration	Payment -Credit Cards -- Cash Tills -- Meal Vouchers
Check out -Express Tills -Q Busters - Baggers	Complaints -Clear guidelines - Courteous	Claims>Returns -No questions asked -- Attitude	Refunds -Prompt -- Cash -- Cancellation charges	Communication -Clear -Honest -- Correct	Cafeteria - Economical -- Veg + Non veg -- Variety/Options

Touch points in retail store

OBJECTIVE AND BENEFITS

The objectives of this study are as follows:

1. To know the customer's attitude towards pantaloons for various customer touch points.
2. To know why people prefer visiting pantaloons over other retail outlet.
3. To measure the satisfaction level of overall shopping experience at pantaloons.
4. To know the type of customer or behavior of the consumer on the basis of various key factors of the customers at the time of buying.

RESEARCH METHODOLOGY

A descriptive research design has been followed for this marketing research which highlights both the qualitative and quantitative aspects of the identified problem. **'Descriptive research'** is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study.

There are two ways a researcher can go about doing a descriptive research study, and they are:

- **Observational**, defined as a method of viewing and recording the participants
- **Survey**, defined as a brief interview or discussion with an individual about a specific topic

Survey

A **survey** comes in different flavors, be it interviewing people face to face or handing out questionnaire to fill out. The main difference between surveys and observations is that in a survey, you don't watch people; you ask them about themselves.

SAMPLING DESIGN:-

Sampling is an essential part of the business research process. Sampling is the technique of selecting a representative part of a population for the purpose of determining the characteristics of the whole population. During the research, Non Probability convenience sampling is used to collect data from the shoppers.

DATA COLLECTION:-

Primary Data: -It is original, problem or study specific and collected for serving a particular purpose. Its authenticity or relevance is reasonably high. To collect the primary data the best way is to interact with people directly or it can be through direct interviews and questionnaires. Both these methods have used for collection of primary data.

Secondary Data: -It is not topical or research specific. It can be economically and quickly collected by the decision maker in a short span of time. It has been collected and compiled by some other researcher or investigative body. Secondary data is collected from company websites and various Literature reviews. As Pantaloons is daily in news because of its expansion plans, and its recent merge with forever 21. So researcher benefited a lot from articles on net

Sample size: A sample size of 100 respondents was chosen because of time constraint. Though small size is sample but it consists of varied type of respondents so as to overcome any error at the time of generalization of result.

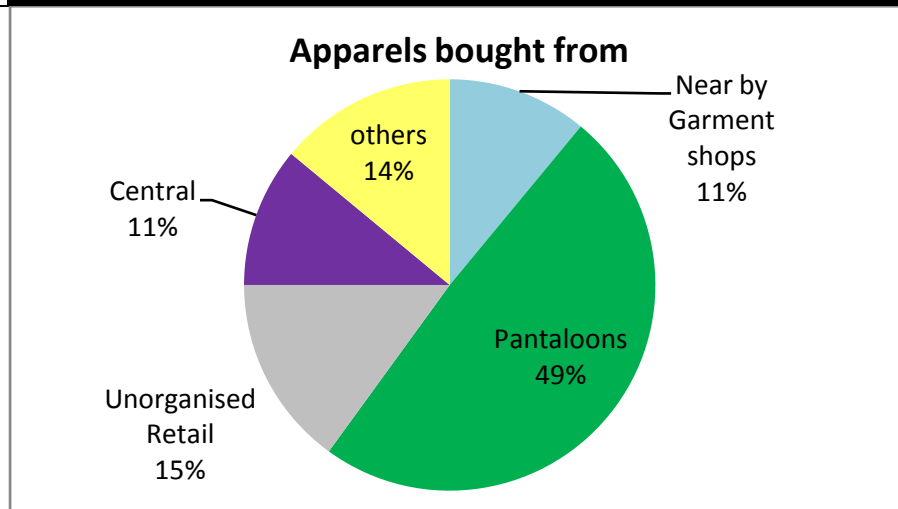
Contact Method: Questionnaire method was used to establish direct contact with respondents.

DATA ANALYSIS AND INTERPRETATION

Q1. Where do you buy most of your Apparels from?

APPARELS BOUGHT FROM

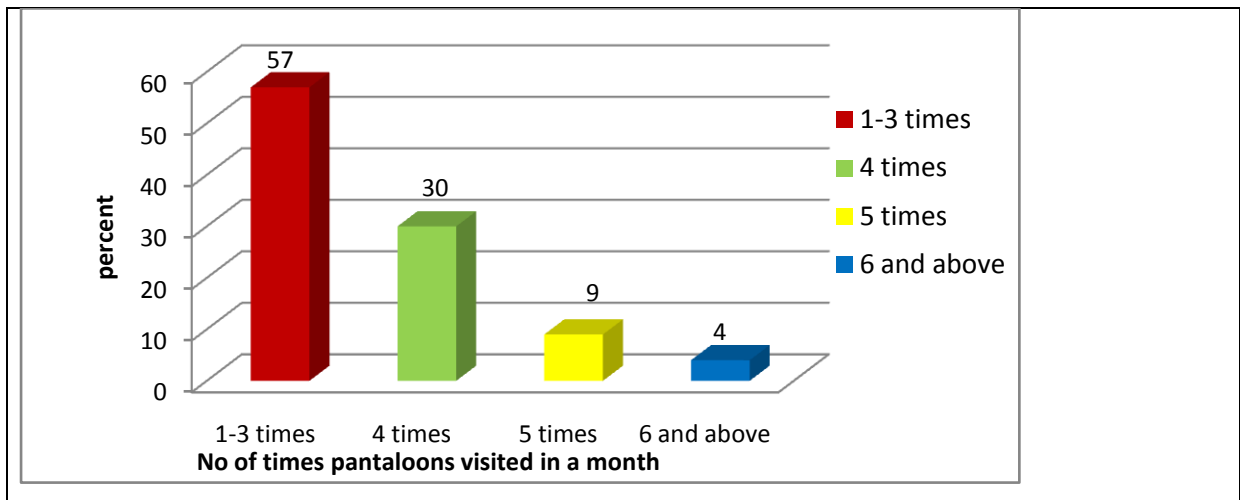
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Nearby Garment shops	11	11.0	11.0	11.0
Pantaloons	49	49.0	49.0	60.0
Unorganized Retail	15	15.0	15.0	75.0
Central	11	11.0	11.0	86.0
others	14	14.0	14.0	100.0
Total	100	100.0	100.0	



Q2. How often you visit Pantaloons in a month?

No of times Pantaloons Visited

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-3 times	57	57.0	57.0	57.0
4 times	30	30.0	30.0	87.0
5 times	9	9.0	9.0	96.0
6 and above	4	4.0	4.0	100.0
Total	100	100.0	100.0	



FACTOR ANALYSIS

Factor analysis is a multivariate statistical technique in which there is no distinction between dependent and independent variables. In factor analysis all variables are analyzed together to extract the underlined factors. It is a very useful method to reduce a large number of variables resulting in data complexity to a few manageable factors. These factors explain most part of the variation of the original set of data.

Conditions for a factor analysis

- Factor analysis exercise requires metric data. This means data should be either interval or ratio scale in nature.
- The size of sample respondents should be 4 to 5 times more than the number of variables.
- The basic principle behind factor analysis is that the initial set of variables should be highly co-related.
- The value of KMO statistics should be greater than 0.5.

Correlation Matrix

	Brand	Price	Promo offer	Variety of Products	Size/color	Service quality	Green card discount	Ambience	Value for money	Nearness to Location	Store experience	
Correlation	Brand	1.000	.493	.483	.455	.497	.374	.212	.225	.452	.354	.366
	Price	.493	1.000	.405	.483	.476	.359	.197	.142	.507	.390	.370
	Promo offer	.483	.405	1.000	.513	.411	.300	.403	.395	.508	.402	.491

Variety of Products	.455	.483	.513	1.000	.747	.446	.327	.381	.512	.482	.415
Size/color	.497	.476	.411	.747	1.000	.466	.294	.326	.505	.468	.434
Service quality	.374	.359	.300	.446	.466	1.000	.453	.455	.334	.430	.492
Green card discount	.212	.197	.403	.327	.294	.453	1.000	.443	.316	.310	.330
Ambience	.225	.142	.395	.381	.326	.455	.443	1.000	.400	.469	.560
Value for money	.452	.507	.508	.512	.505	.334	.316	.400	1.000	.520	.535
Nearness to Location	.354	.390	.402	.482	.468	.430	.310	.469	.520	1.000	.597
Store experience	.366	.370	.491	.415	.434	.492	.330	.560	.535	.597	1.000

From table 1 we observe multi co-linearity

Brand at 1.000

Price at 0.493

Promo offer at 0.483

Variety of products at 0.455

There is not much high co-linearity at most of the values are near to 0.5 and less than 0.5, similarly we can infer it for other variables also. The applicability of factor analysis is determined by KMO and Bartlett's test.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings			
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	
dimension0	1	5.244	47.670	5.244	47.670	47.670	3.501	31.831	31.831	
	2	1.222	11.108	58.777	1.222	11.108	58.777	2.964	26.946	58.777
	3	.802	7.294	66.071						
	4	.747	6.791	72.862						
	5	.644	5.858	78.720						
	6	.562	5.111	83.831						
	7	.435	3.957	87.788						
	8	.433	3.940	91.728						
	9	.372	3.386	95.113						
	10	.318	2.894	98.007						
	11	.219	1.993	100.000						

Extraction Method: Principal Component Analysis.

From table 4 of total variance explain we observe that the cumulative % of variance for 1st two component is 58.777 and the scores of 1st and 2nd component is 5.244 and 1.222 which is highest, means that total variance of the 11 variables can be explained by 2 components to the extent of 58.77% and hence the process of component has stopped after 2nd component i.e. 10 variables can be combined in 2 component.

Component Matrix^a

	Component	
	1	2
Brand	.648	-.398
Price	.637	-.478
Promo offer	.702	-.040
Variety of Products	.773	-.223
Size/color	.755	-.272
Service quality	.667	.247
Green card discount	.543	.469
Ambience	.624	.575
Value for money	.746	-.127
Nearness to Location	.722	.132
Store experience	.743	.254

Extraction Method: Principal Component Analysis
 a. 2 components extracted.

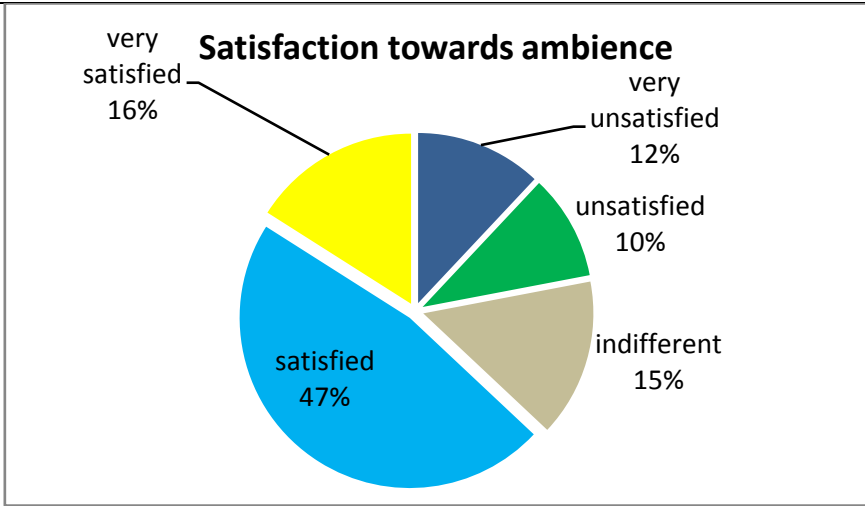
Component Score Coefficient Matrix

	Component	
	1	2
Brand	.308	-.164
Price	.349	-.214
Promo offer	.122	.064
Variety of Products	.231	-.040
Size/color	.255	-.073
Service quality	-.037	.236
Green card discount	-.175	.357
Ambience	-.220	.432
Value for money	.175	.015
Nearness to Location	.033	.172
Store experience	-.030	.250

From table 5 gives component matrix before extraction, the table of rotated component matrix and component score coefficient matrix gives the combination after rotation. From above two table Brand (0.750), Price (0.794) , variety (0.728),promo offer(0.554),size/color (0.747), value for money (0.645) will be combined in one component and named as “Brand conscious, trendy and value based” . service quality (0.340),green card (0.100),ambience (0.920),nearness to location(0.457) and store experience (0.392) will be clubbed into one component and named as “store appearance and quality based”. So on the basis of above factor analysis the customer of pantaloons are categorized as (i) Brand conscious, trendy and value based (ii) store appearance and quality based.

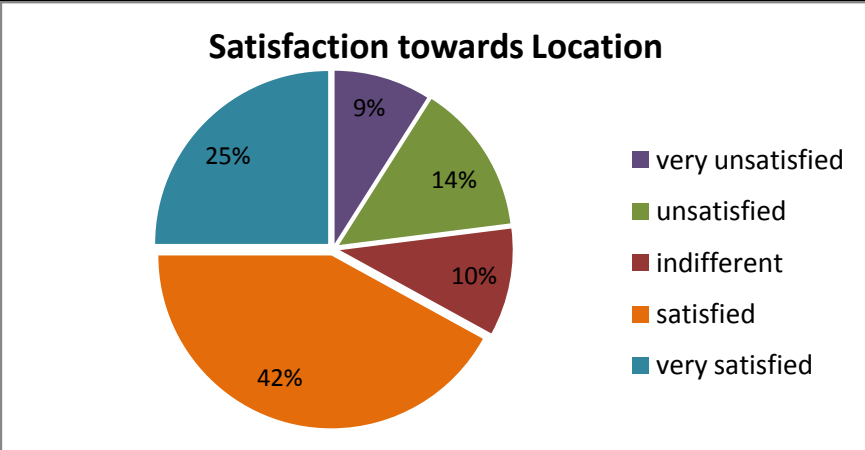
Q.6 How much satisfied are you with the Ambience of Pantaloons?

Satisfaction towards Ambience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very dissatisfied	12	12.0	12.0	12.0
	Dissatisfied	10	10.0	10.0	22.0
	Indifferent	15	15.0	15.0	37.0
	Satisfied	47	47.0	47.0	84.0
	very satisfied	16	16.0	16.0	100.0
	Total	100	100.0	100.0	



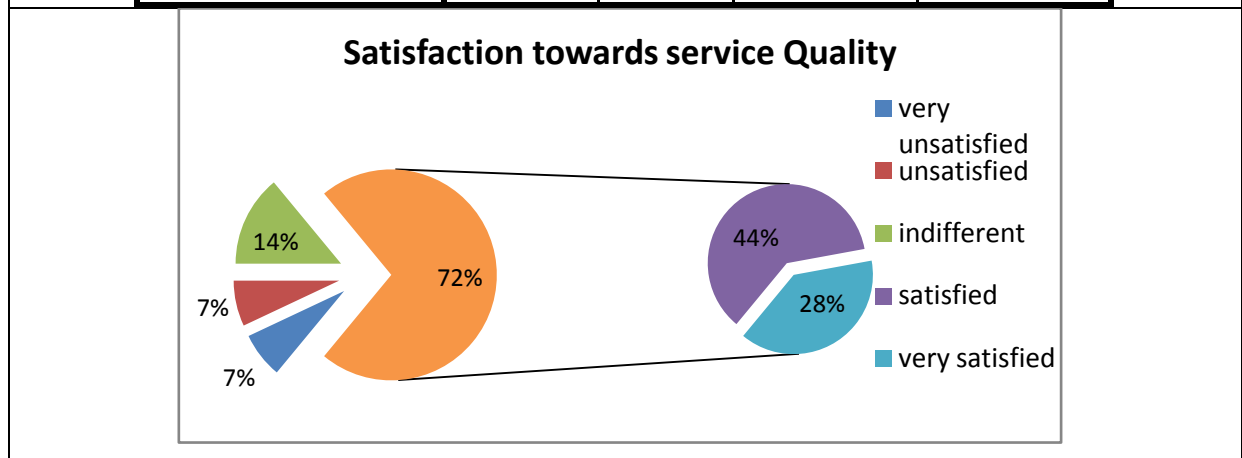
Satisfaction towards Location

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid very dissatisfied	9	9.0	9.0	9.0
dissatisfied	14	14.0	14.0	23.0
indifferent	10	10.0	10.0	33.0
satisfied	42	42.0	42.0	75.0
very satisfied	25	25.0	25.0	100.0
Total	100	100.0	100.0	



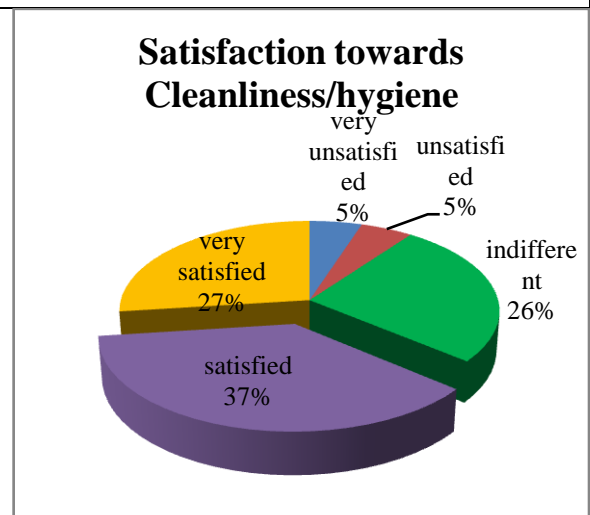
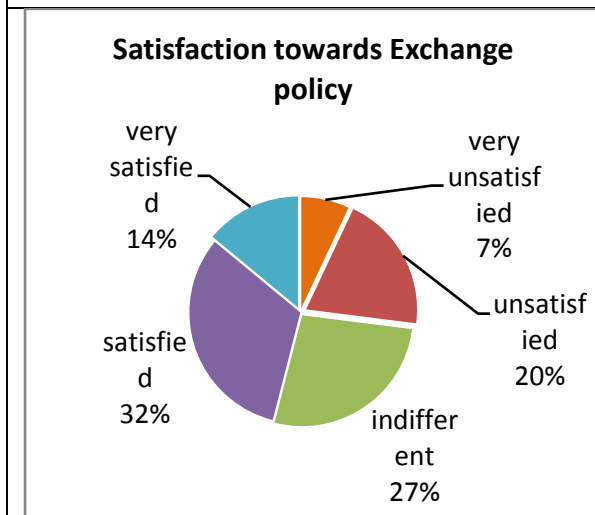
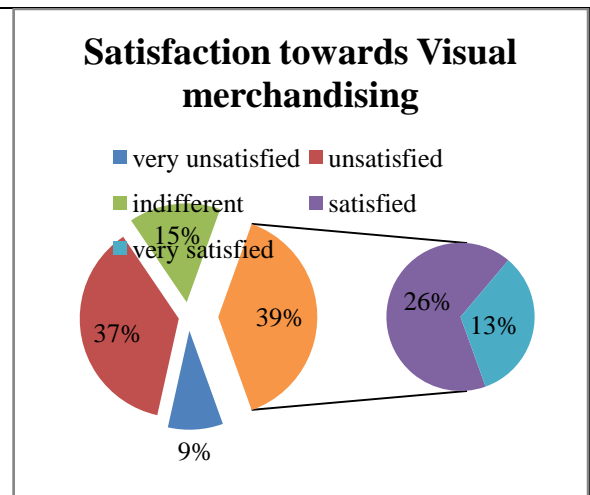
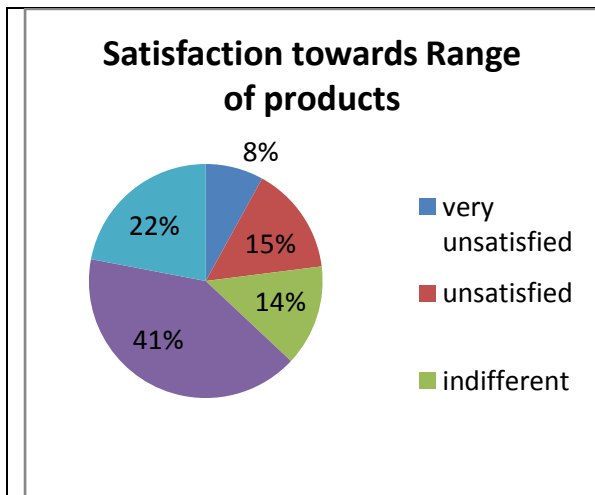
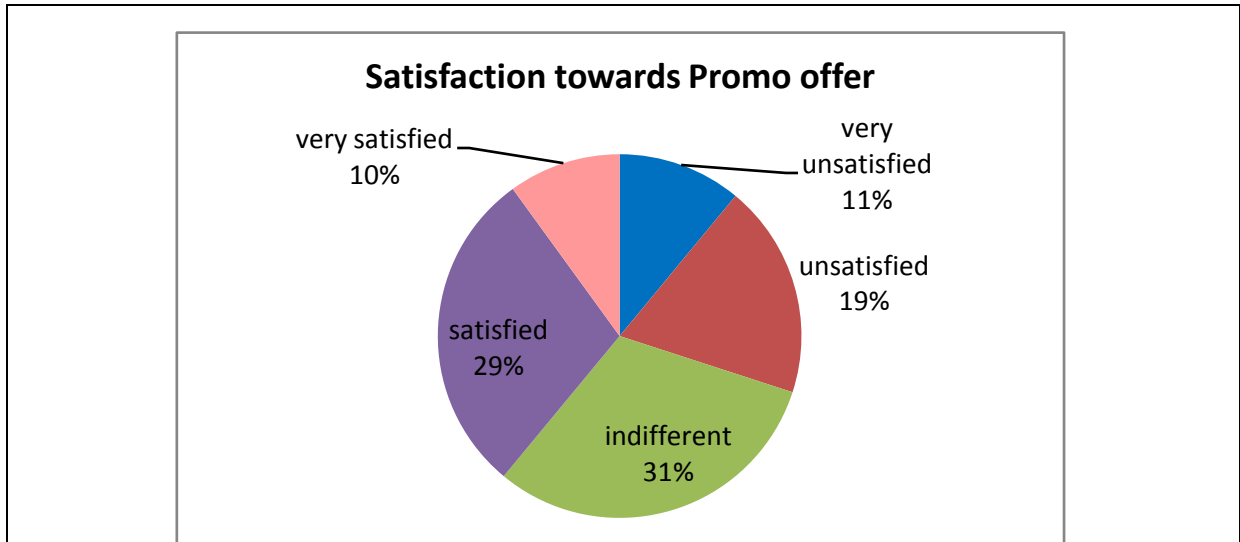
Satisfaction towards Service quality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very dissatisfied	7	7.0	7.0	7.0
	dissatisfied	7	7.0	7.0	14.0
	indifferent	14	14.0	14.0	28.0
	satisfied	44	44.0	44.0	72.0
	very satisfied	28	28.0	28.0	100.0
	Total	100	100.0	100.0	

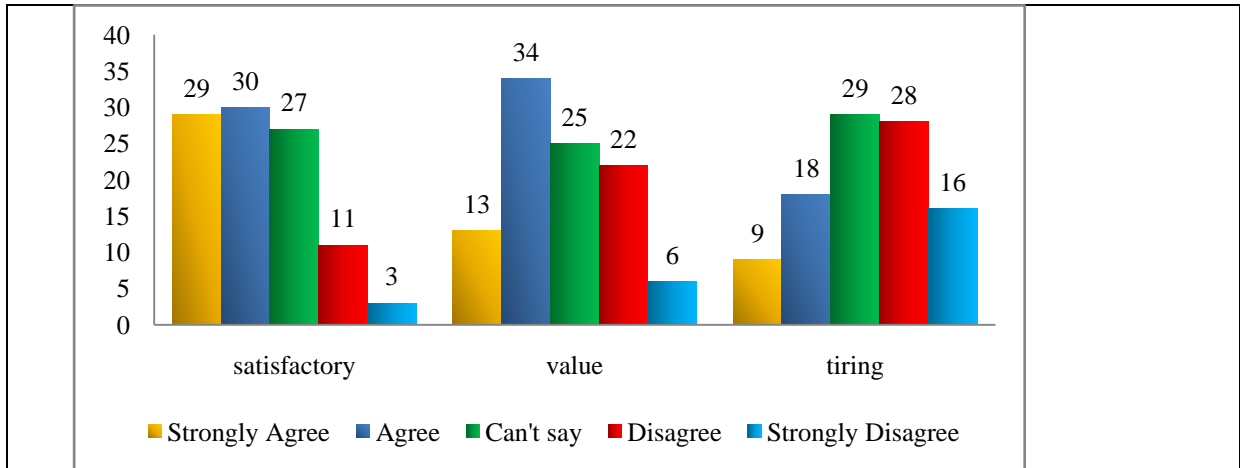


Satisfaction towards Promo offer/green card discount

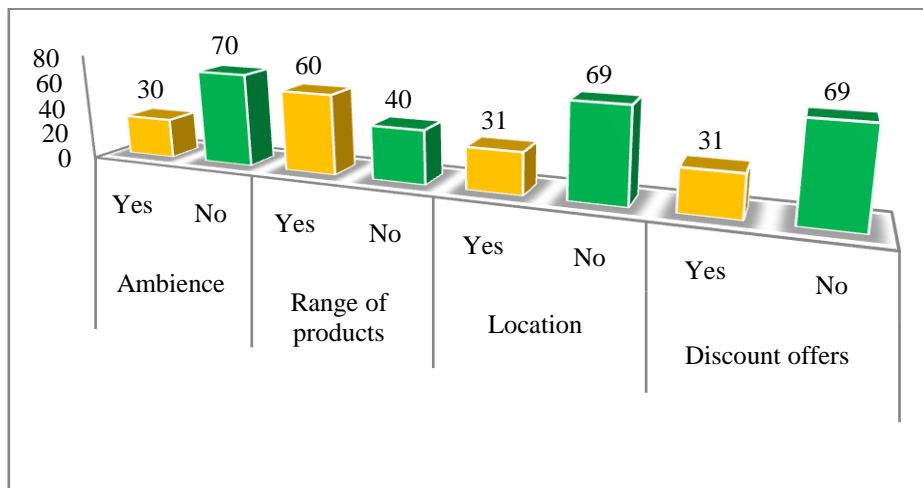
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very dissatisfied	11	11.0	11.0	11.0
	dissatisfied	19	19.0	19.0	30.0
	indifferent	31	31.0	31.0	61.0
	satisfied	29	29.0	29.0	90.0
	very satisfied	10	10.0	10.0	100.0
	Total	100	100.0	100.0	



Define your overall shopping experience at Pantaloons on a 5 point scales.



Q18. In which area you feel Pantaloons has an edge over other retail outlets?



The above graph clearly shows that 60% of respondents have said that pantaloons is having range of products as an edge over other retail outlets. Similarly 30% have said ambience, 31% have said Location and 31% have said discount offers which are much less than respondents who said ‘yes’ to range of products as an edge.

Research Findings:

Based on the study, my findings are as follows:

1. There are only 49% of the respondents who prefer to buy most of their apparels from pantaloons. Still there are 51% of the respondents (consolidated) who prefer to buy from nearby garment shops, unorganized retail and from the competitors.
2. The respondents are much aware of other outlets, around 43% of the respondents have visited all five (shopper’s stop, Max, Westside, Central, and Big Bazar). There is challenge for pantaloons to retain their customer to face and survive the competition.

3. The reason for visiting pantaloons is found. Majority of the respondents visit pantaloons for range of products and quality of the products. Also we come to know the occasion for shopping at pantaloons. 60% of the respondents visit pantaloons to buy apparels for regular use, 20% for party, and 16% during festivals.
4. The factor analysis gave two consumer groups on the basis of the factor which influence their purchase. The two groups are (i) Brand conscious, trendy and value (ii) Store appearance and quality.
5. Majority of respondents are satisfied with location of the store. Since it is located in central part of Pune and moreover it is located opposite to J.W Marriot HOTEL.
6. The company is having very efficient billing procedure. The satisfaction with billing experience is very high. The standard billing time is 30 sec.
7. After the launch of WOW PRICE the satisfaction of respondents are high with price.
8. Pantaloons is having varied range of products with size availability due to which very few customer comes for exchange and it also reflects in data that 27% of respondents haven't used the exchange policy and are indifferent to it.
9. Many customers are dissatisfied with parking facilities provided by the ICC store. The reasons is that most of the parking places are used by the various companies employees due to which very less spaces are there for customers also it is chargeable and way from parking to store is not convenient.
10. Many customers were complaining about 'AC' as AC was not working in the ladies western section ruining their shopping experience and also making employees uneasy to work.
11. Customer were also found complaining about signage's as offers were not shown on signage and visual merchandising was also not maintained properly.
12. Pantaloons is having 'Range of products' as an edge over other retail outlets.
13. The overall satisfaction with shopping at pantaloons is high; also they don't find shopping tiring here, the environment is joyful but not much economical.
14. 40% of respondents don't find pantaloons as a complete retail outlet.
15. The respondents are highly ready to recommend pantaloons to others as well as they are more likely to continue their purchase from pantaloons because of satisfaction with key touch points are high and their loyalty to pantaloons.

Conclusion:

This research report aims to study consumer attitude towards Pantaloons and highlights its strengths and weaknesses in order that Pantaloons can fight the competition in a better way. Though Pantaloons captures a different market and is giving competition to big players like Vishal mega mart and big bazaar. Retail in India is a booming sector nowadays and Pantaloons should try to benefit more from it. Recommendations given should be considered by Pantaloons in order to emerge as a winner in long run.

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