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A Study on Consumer Behavior in Retail Marketing

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Abstract

The study of consumer behavior in retail marketing is a critical for businesses seeking to understand and meet their target customers ever-changing demands and preferences. This study digs into the complex dynamics that impact customer choices in the retail industry, investigating the numerous elements that influence purchasing decisions and overall shopping experiences.

The primary goal of this research is to provide a thorough review of the key components influencing consumer behavior in retail settings, including both traditional brick-and-mortar businesses and the rapidly developing arena of e-commerce.

The goal of this study is to comprehend the major variables influencing customer behavior. It explores how consumer perceptions and decisions are influenced by retail environments, including store layout and design. The impact of augmented reality and smartphone apps. In order to, comprehend how social networks, cultural norms, and socioeconomic trends affect consumer preferences, social and cultural aspects are investigated. In order to determine how marketing and advertising tactics, such as personalized promotions and loyalty programs, affect consumer loyalty and brand perception. In order to comprehend how economic factors affect customer confidence and purchasing habits, factors like income levels and pricing strategies.

The goal of this study is to provide retail marketers useful insights so that they may modify their tactics to meet changing consumer expectations.

Keywords: Shopping Environment and Atmosphere, Technological Influences, Social and Cultural Factors, Marketing Strategies and Advertising, Economic Considerations

Introduction

"The customer's perception is your reality." -Kate Zabriskie

The field of retail marketing that studies customer behavior investigates the complicated and always-changing ways that people decide what to buy, use, and throw away in stores. If retailers want to make good marketing plans, make customers satisfaction, and eventually increase sales, they need to have a deep understanding of how people act.

The decision-making process is an important part of consumer behavior. It includes steps like figuring out the problem, getting information, weighing options, making a purchase decision, and analyzing the purchase after it's been made. Retailers try to understand each step so they can have a positive effect on customers' choices.

A lot of different things, like situational factors, psychological factors, personal traits, social influences, and national factors, can change how a consumer acts. Retailers who want to make their marketing strategies fit for the tastes of their target market carefully look at these factors.

The strategic use of consumer behavior is called customer segmentation. It lets retailers divide their customers into different groups based on similar traits, habits, and preferences. Effective segmentation lets stores give

personalized experiences to specific groups of customers, which changes how they sell their products.

There is a lot of evidence that the settings in stores, whether they are real or online, affect how people behave. Things like where products are placed, visual merchandising, store plans, and the general mood all affect how customers move around the store and choose what to buy.

As e-commerce grows, businesses need to know how digital customers act in order to, stay competitive. To meet customers' ever-changing needs, and demands businesses need to switch to omnichannel strategies that combine online and offline encounters in a seamless way. As we move into the digital age, stores need to come up with tactics that work for both online and offline shopping

Significance of the Study

Retail marketing is based on how people act, which affects how businesses run, how they advertise their goods, and how they interact with customers. For many reasons, it's important to understand how people act as consumers. First, it helps with product development and innovation by revealing market trends, preferences, and unmet needs. This information guides

the creation or modification of products to meet customer wants in a better way.

Importance of Retail Marketing

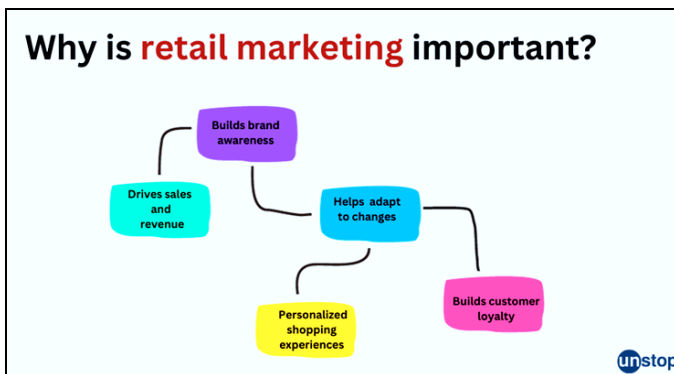


Fig 1: Figure explains the needs of Retail marketing to the consumers and customers

Also, retailers can use targeted marketing tactics when they know how customers behave and reacts. Merchants can make their ads and messages more effective by making campaigns that are specific to people's habits, demographics, and psychographics. This knowledge also helps with customer segmentation, which lets companies make marketing plans that are more useful and targeted for different groups of customers.

The layout and merchandising of a store are based on a deep understanding of how customers behave. Products are placed carefully to boost sales and improve the shopping experience. Price strategies are also affected by information about how price-sensitive people are, how much they think something is worth, and how ready they are to pay. This information helps companies decide on price points, discount plans, and where to put their products on the market.

Making sure customers have a good experience is very important for getting and keeping loyal customers. Retailers can improve their ties with customers by making sure that their rules and actions are in line with what customers expect. Today, to be successful, you need to understand how people behave when they shop online. This lets you use omnichannel tactics and make good e-commerce plans.

Understanding how people behave gives businesses a competitive edge. They can stand out in the market, attract, and keep customers, and do this by making sure their products match what people want. It also has a big effect on company loyalty, since consistently going above and beyond what customers expect builds trust and loyalty.

Also, it's important to be able to adapt to changes in the market because customer behavior changes because of new technologies, trends, and outside factors. Retailers who are resilient see change to move forward and stay current by constantly monitoring and adapting to changes in how customers behave.

Analyzing information about how customers behave makes it easier to make decisions based on data. This helps with making smart choices about product management, marketing strategies, and running the business in general. Lastly, knowing how people behave requires feedback and constant improvement. Insights from reviews and interactions provide useful information for ongoing development, which helps stores improve their strategies, services, and product offerings.

At an outset, the buyer behavior is the most important part of retail marketing because it guides strategic decisions, improves the customer experience, and ensures long-term success and survival in a constantly changing market.

Conceptual Framework

Retail marketing relies on knowing how customers act to come up with good strategies, since there are many things that have a big effect on what customers choose. Consumer tastes are affected by cultural factors such as norms, beliefs, and customs. Subcultures like religious or ethnic groups add their own tastes to the mix. Social factors, like social class and reference groups, are very important because they affect what people think, do, and choose brands for. Different demands and buying habits are caused by personal factors such as age, stage of life, job, and cash.

A consumer's choice is also affected by psychological factors such as perception and desire. Buying decisions are affected by how people feel about brands and goods, which is shaped by their own experiences and attitudes. Marketing messages that stick with people are shaped by things that motivate them, like the need for security or the freedom to express oneself. Learning and experience, which come from past interactions and processing of information, can make people loyal to a brand or make them less likely to buy it again.

Situational factors, which include the purchase context and point of sale effect, show how environment, time, place, and event affect how people act. How people buy things and get information is changing because of technological factors and digital impact, especially through social media and online platforms. Some important economic factors that are affected by economic stability, inflation, and general financial conditions are income levels and how sensitive people are to changes in prices.

By carefully looking at these factors, retailers can make sure that their marketing strategies are tailored to the needs and wants of their target audience. Consumer behavior, which is always changing and complicated, shows how these different factors interact in the world of retail marketing.

There are many things that affect how people act in retail marketing, including how they make decisions, interact with goods, and interact with others in stores. Retailers need to understand these important traits in order to make their plans work well. Values, beliefs, and social norms are examples of cultural factors that affect customers' choices and decisions about what to buy. Social factors, such as social class and reference groups, have a big impact on what brands and products people choose.

The needs and wants of consumers in different demographic groups are different because of things like their attitude, lifestyle, and demographics. Psychological factors, such as perception and motivation, affect what people like and what they buy, which helps stores make good advertising messages. Different people handle information in different ways, including how they search for information and make decisions. This means that marketing plans need to be tailored to everyone.

Situational factors, like the reason for the buy and whether the customer is shopping online or in a store, affect how they behave, so stores need to change their strategies to fit these factors.

Brand image, which includes brand loyalty and price sensitivity, is very important. People need to have good experiences with brands and see value in prices. Feelings and experiences, like emotional connections and the general

shopping experience, have a big effect on what people decide and how they act in the future.

Because people are becoming more aware of the world, ethics and sustainability are becoming more important to consumers. The whole customer experience affects how the customer acts after the buy, such as how satisfied and loyal they are. If retailers fully understand these traits, they can give customers great experiences, build lasting relationships, and make marketing campaigns that are more targeted and effective, which will eventually lead to customer advocacy and loyalty.

Characteristics of Consumer Behavior

"Consumer Behavior is the Actions and Decision Processes of People Who Purchase Goods and Services for Personal Consumption."-Engel, Blackwell and Mansard: When it comes to retail marketing, consumer behavior is made up of a lot of different traits that affect how businesses connect with their customers. Consumers come to the market with a wide range of needs because they come from different backgrounds and have different tastes. It is important for sellers to understand and meet these needs. The fact that consumer behavior is dynamic shows that it is always changing. Trends, technological progress, and societal changes all cause people to change how they make decisions over time.

A very important part is psychological effects, which investigate how people's thoughts, feelings, motivations, and ways of learning affect their decisions. The social and cultural fabric adds another layer to the shopping story beyond the individual mind. Consumer choices are deeply affected by social networks, cultural norms, and larger societal trends. This shows how personal choices are linked to the bigger picture of society.

Integration of technology, such as online platforms and mobile apps, has also changed the way people shop, looking around, and finally choosing what to buy. Because of this change in technology, stores need to not only use digital innovations but also create omnichannel experiences that are seamless and meet customers' needs across all interactions. To be successful in this complex dance of diversity, psychology, culture, and technology, retailers need to have a deep understanding of all these factors. This helps them connect with their audience, keeps them interested, and build long-lasting relationships with them.

- Consumer perceptions, reactions, experiences, behaviors in retail marketing are the main deciding factor for the traders and merchant people for the formulation of marketing strategies.
- Consumer purchasing decisions play an important role in retail marketing for innovations.
- Consumers shoppers stop creating demand in retail marketing.
- Visiting customers to the retail outlets enhances the mouth publicity to promote the sales and helps to reach the sales target.
- Consumers are an asset to the retail market. They are the deciding factor for the growth and development of business.
- Customers are not depending on businessmen, merchants and trader are depending on customers.
- Customers will decide how our business should be, where it should be and how long it will take to continue.
- Customer satisfaction is the main key factor role for the survival of the business.
- Attracting the customer is the most important strategy in the business.

- Retaining the customers are very essential than the attracting of new customers into the business.

Importance of Consumer Behavior in Retail Marketing

"The Buying Behavior of Final Consumers-Individuals and Households Who Buy Goods and Services for Personal Consumption."-Philip Kotler: When we see an ad on TV or social media, the first thing that we think about is whether or not that product is relevant to us. In this case, a 15-year-old will not be interested in the saree ad. In the same way, someone aged 65 won't care about new gadget releases.

Why are these examples being used? Because if you are in business, you need to know who your ideal buyers are based on the goods or services you provide. Once you have identified your customers, the next step is to look at how they feel about your goods and services.

"Consumer behavior is defined as the behavior that consumers display in searching for: purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs."-Schiffman

Businesses can better reach customers by understanding how they act, which leads to better tactics. Businesspeople can make better choices by focusing on "WHY" and "HOW" about a product or service from the customer's point of view.

Significance of Consumer Behaviour

Importance of Consumer Behavior



Fig 2: Figure explains how the consumer behaviour will be helpful and benefitted to the business organisation

Attitudes of Consumers

"If People believe they Share Values with a Company, they will Stay Loyal to the Brand."

-Howard Schultz

Retail marketing depends on how people feel about a product or service because that affects their choice to buy, their loyalty to a brand, and their overall happiness. To make marketing strategies that work for your target group, you need to shape and understand these attitudes. Attitudes of consumers include their overall thoughts, feelings, and beliefs about things like goods, brands, or situations.

Attitudes are made up of behavioral, emotional, and mental parts that are affected by experiences, social factors, and personal views. Positive emotions make people want to buy, while bad emotions can make people not want to buy. Brand perception, which is highly affected by branding efforts, is very important for creating positive feelings.

The general experience of a customer has a big effect on how they feel. Marketing messages, word of mouth, and web reviews all influence attitudes, and positive feedback makes people think more positively. There are also cultural and social factors, cognitive confusion, and how people see prices that play a part.

As trends change, it's important to be able to adapt to new views. Sustainability and moral concerns affect how people feel, and stores need to change their business plans to adapt to

changes in how people feel. To sum up, retailers can make positive impressions, build brand loyalty, and improve their overall success in retail marketing by understanding and carefully managing the factors that affect attitudes.

Types of Consumers

Different age groups behave differently in retail marketing

Classification of Consumers

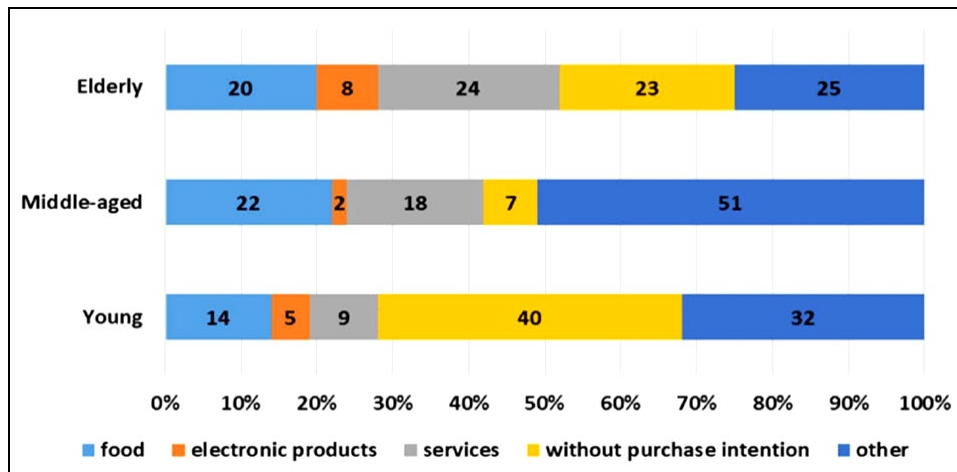


Fig 3: Categories of Consumers

Young people (20-35 years old) are interested in brands, make most of their shopping decisions online, and value experiences over things. Adults between the ages of 36 and 55 are loyal to brands, focus on buying things for their families, and think about money when making decisions. Seniors (55 and older) tend to choose well-known brands, put a high value on quality and dependability, and often like shopping in stores.

Gen Z, people born between the mid-1990s and early 2010s, grew up with computers and prefers companies that care about the world and tell the truth about their products. Millennials (people born between 1981 and 1996) value experiences over ease and are tech-savvy and socially connected. Generation X (people born between 1965 and 1980) is fair. They look at both price and quality, and they often buy things that their family would like. They also like shopping both online and in stores.

Even though these age group traits can be used to make broad statements, it's important to remember that everyone is different. Besides age, things like financial status, way of life, and cultural background also affect how people act as consumers. Retailers can better understand the specific needs and wants of their wide range of customers, including those of different ages, through targeted market research.

Needs, Requirements & Reactions of Consumer Behavior

Understanding and meeting a variety of wants, requests, and responses influences consumer behavior and decision-making in retail marketing. Retailers must manage these factors to meet customer expectations, create effective marketing campaigns, and build long-term relationships.

Products and services meet utilitarian and psychological demands, such as warmth in a winter coat or security,

because they have different wants, tastes, and ways of life. Retailers carefully divide their customers into groups based on age so that they can use the right marketing strategies. Teenagers (ages 13 to 19) are influenced by their friends, follow trends, and are tech-savvy. They often use new technology and buy things on their phones and the internet.

comfort, prestige, or self-expression. The convenience of online and in-store shopping, quality, reliability, and perceived value are all important.

Consumer emotions, including purchasing intent and decision-making, shape their experience. Post-purchase pleasure or dissatisfaction affects brand loyalty or refunds. Word of mouth, internet reviews, and social media interactions affect how potential customers view a brand. Positive marketing messages that generate nostalgia, empathy, or happiness create emotional bonds. We often buy on impulse due to emotions. Consumers desire products that match social trends and cultural values.

Environmental and ethical factors like sustainability and ethics are impacting consumer behavior. Environmentally conscious shoppers like brands that are ethical or sustainable. Technology and consumers' comfort level determine their preferences for mobile payments, bespoke digital experiences, and online shopping. In-store atmosphere, customer service, product displays, and internet user experiences strongly affect consumer impressions and preferences.

In the extremely competitive retail landscape, retailers must navigate and respond to varied wants, needs, and reactions to create successful marketing strategies, improve consumer satisfaction, and build brand loyalty.

Abraham Maslow's Hierarchy of Needs

Abraham Maslow's Hierarchy of Needs is a psychology theory that explains why people do the things they do and how their needs are arranged in a hierarchy. This theory divides human needs into five levels, which are shown as a pyramid. Lower-level needs are thought to be more basic than higher-level ones. The order is made up of:

Classification of Human Needs

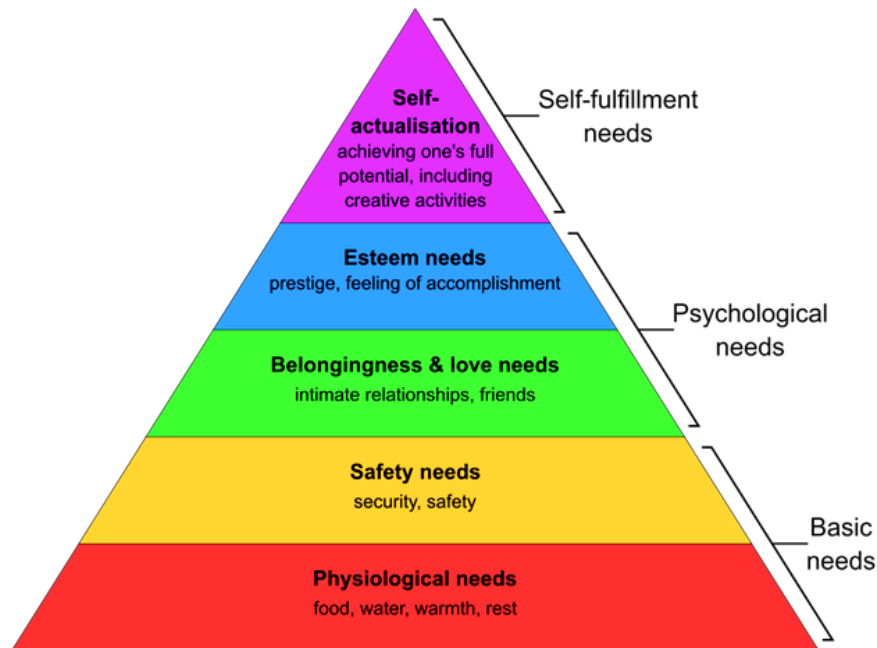


Fig 4: Figure shows the Maslow's theory categorically classified the human needs priority wise.

The base of the pyramid shows physiological needs, which include things like clothes, food, water, a place to sleep, and shelter. It is shown at the base of the pyramid and stresses how important they are.

Once a person's basic bodily needs are met, they look for security, which includes being healthy, safe from accidents, and having enough money to live on. The second level of the pyramid is safety standards, which come after physiological needs.

Love and Belongingness: This level is about social needs like family, friends, relationships, and feeling like you belong and are accepted. Putting it above safety needs brings out the social side of what drives people.

Esteem Needs: Needs for achievement, respect, self-worth, self-confidence, and recognition are all examples of esteem needs. This level represents the search for approval and self-worth, which comes before love and belongingness.

Self-Actualization (Top of the Pyramid): At the very top of the pyramid, self-actualization means reaching your full potential through personal growth, creativity, and using your skills.

A popular way to show this is with a pyramid chart, where each level represents a section. They help you understand that taking care of lower-level needs comes before taking care of higher-level requests. Important things to keep in mind when making the graphics are using color coding to make levels easy to spot, percentages to show how common each need is, and arrows or flow graphs to show how things happen in a logical order.

Maslow's Hierarchy of Needs is generally agreed upon, but it has been criticized for not always being true. Some people disagree with the hierarchy because they say that people's wants can be affected by their personal, cultural, and social situations. This makes the hierarchy less universal. Even though there are disagreements, the idea is still a basic way to understand why people do the things they do.

Impact of Unfair Trade Practises

The effects of unfair trade practices on businesses are very important to think about because they have many different

areas that affect both businesses and customers. Unfair trade practices, which include dishonest, unethical, or false actions, cause problems that affect every part of the business world. One major effect is the loss of fair competition, which happens when dishonest practices like fixing prices and false advertising change the market and hurt honest companies.

As important stakeholders, consumers take a big hit from unfair business tactics. Advertising if it is not honest, making false promises about products, or delivering poor goods and services can cost you money and put your health at risk. This makes people less likely to trust businesses and makes the market less efficient, which makes it harder for people to make smart choices.

Unfair trade practices impact heavily on the economy than just the short-term benefits on businesses and customers. It leads to legal complications. The perpetual existence of the business is a big question.

Out of unfair trade practice, a short-term benefit may be obtained but permanently affects the business. Goodwill of business will drastically damage, Trustworthiness of the consumers will decline. It affects on the retaining of the old customers and gaining of new customers with the negative mouth publicity.

They can lead to market concentration, which makes it harder for people to make new decisions and slows down innovation. This concentration of power in a few unethical groups makes the economy less fair by slowing down the growth of small businesses and hurting total job creation and economic growth.

A lot of different groups need to work together to solve the problems that unfair trade practices cause. Laws and regulations that are strong are mostly put in place and enforced by governments and foreign groups.

They help level the playing field, encourage healthy competition, and protect the market's purity by doing this. Businesses, customers, and regulatory bodies all work together in this way to uphold moral standards, encourage fair competition, and protect the marketplace's general integrity.

"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently." - Warren Buffett

Every day, sellers, traders, or makers who are well-organized and skilled cheat customers. It is a white-collar crime for sellers to take advantage of buyers. They don't mean any harm. The only goal is to make a lot of money—10 rupees for every rupee put in. To do this, they use unfair and limiting ways to trade. Some sellers commit white-collar crimes, like tampering with food, selling dangerous items, drugs, alcohol, pan masala, cigarettes, obscene books, and so on. Socioeconomic crimes include unfair trade practices, tampering with food, selling outdated drugs, and other similar things. These aren't dangerous. To make a lot of money, they do illegal things in secret. "Consumerism" fights against unfair and illegal behavior.

Unfair trade practices will impose punishment to the merchants, traders and manufacturers in consumer forums while in prosecuting process. Moreover, the businesses will shut down for deceiving consumers.

Even though India has a law called the Consumer Protection Act 1986 that rules unfair business practices, corporate crime is going up. Every day, more and more financial scams happen. The Consumer Protection Act of 1986 does not regulate unfair business tactics well enough. The Consumer Protection Act of 1986 set up a lot of bodies to help consumers, but they aren't always successful at protecting them. This means that the Consumer Protection Act of 1986 needs a lot of changes.

Consumers don't know what their rights are or what laws protect them. Customers, both men and women, know about unfair business practices, their rights, and the rules that protect them. Because of this people who commits white collar crimes are usually skilled, well-organized sellers or makers who cheat customers.

Customers don't agree on several things. Unfair business practices can hurt the feeling of both customer confidence and the growth of a company. That is, unfair business tactics hurt both Indian companies and the people who live there. The Supreme Court of India, which is India's top court, makes suggestions about unfair business practices, but people rarely follow them. Because of this, unfair trade tactics hurt India's economy.

Findings

Our research into customer rights has led us to a number of important conclusions. First, the right to redress gives customers the power to ask for compensation, a replacement, or a return if a product or service doesn't meet agreed-upon standards. This gives unhappy customers a way to get their problems fixed.

The right to consumer education also stresses how important it is for consumers to be well-informed. People deserve to be taught about their rights and duties, which makes them more aware of and knowledgeable about the goods and services they choose to buy.

Also, our study shows how important it is to have the right to fair advertising and marketing. People shouldn't have to deal with deception or being led astray by false or misleading ads. To make sure the market is fair, marketing should be honest, open, and not use any tricks that could change how people act.

The right to a healthy environment is very important when it comes to protecting the earth. People who buy goods or services that affect the environment have the right to expect

that they are made and sold with environmental health in mind. This is because there is a growing demand for environmentally friendly methods in the market.

Conclusion

In conclusion, retail marketing's consumer behavior complexity shows how dynamic and multidimensional company-client interactions are. Retailers must navigate a complicated landscape to engage customers. This entails understanding decision-making psychology and the complex interaction of social, cultural, and technical factors.

A customer-centric strategy that spans digital and physical spaces is essential because positive customer experiences have a huge impact. Omnichannel retailing is growing crucial as the industry evolves. Stores must seamlessly integrate online and offline experiences to meet tech-savvy customers' demands.

Recognition and adaptation to cultural differences are also essential. Successful retailers adapt to varied social and cultural norms because of their diverse customer base. Inclusivity increases product appeal and brand loyalty.

Sustainability and ethics are vital when dealing with socially and ecologically conscious consumers. Ethical retailers attract more customers and improve the planet.

Data-driven judgments are crucial. Retailers may learn about customer preferences, behaviors, and trends using consumer data. This data helps organizations improve their products, marketing, and competitiveness in a tough market.

Instead of just selling, a retailer's journey is about building brand loyalty and lasting relationships. This attempt relies on response, genuineness, and constancy. Retailers value customer experiences as much as product sales.

Change is constant, thus successful shops embrace a culture of constant adaptation and progress. Firms may define retail's future by staying abreast of industry shifts, new trends, and changing consumer tastes.

Consumer behavior in retail marketing is a vibrant dance involving constant retailer-target market interactions. In the fast-paced retail industry, knowing, anticipating, and meeting consumer wants, preferences, and factors is not only a skill but also a strategic essential for long-term success.

Suggestions

- i). Businesspeople must improve their trustworthiness and with that business goodwill will enhance. Automatically customers' turnover will improve, and sales will be promoted. And profits also be improved.
- ii). Businesspeople need not give any discounts, rebates, or offers. They must supply the standard material at reasonable prices and without creating artificial scarcity.
- iii). Businesspeople must create consumer awareness camps on the worthiness of their products and prices to gain the hearts of the customers.
- iv). Businesspeople must be aware of the legal complications with these unfair trade practices.
- v). Businesspeople must feel the healthy competition in retail marketing.
- vi). Consumers right should be protected
- vii). Consumer grievance must timely be addressed.
- viii). After-sales services must be provided.
- ix). Customer care centers should be opened.
- x). Customer suggestions, complaints, must be honored and properly be solved, addressed and followed

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