



Determinants Shaping Consumer Choices in Retail Stores

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ABSTRACT. Understanding consumer behavior patterns and the factors that influence them may contribute to the revenue generation of a business. The purpose of this study is to identify the variables that influence consumers' purchasing decisions and how they perceive important elements such as cost, location, promotion, people, process and physical evidence. The present study conducted in Pune, aims to investigate the impact of the 7Ps on the purchasing behavior of consumers who regularly visit retail stores for buying their necessities.

According to the findings, most of the respondents were married, educated women in their 20s and 30s who were employed in public and private sectors. Additionally, it was discovered that Pearson r calculations support the notion that the factors of product, price, place, promotion, people, physical evidence, and process all positively correlate with consumers' purchasing decisions, thus rejecting all of the null hypotheses.

Keywords: Consumer behavior, Marketing Mix, Retail Outlets, Decision-making.

1. INTRODUCTION

Due to the present environment of competition brought about by globalization, technological advancements, and fierce rivalry in the business world, many companies are able to look for new ideas and marketing tactics to boost their productivity. The study of consumer behavior, which is a dynamic phenomenon, focuses on how consumers gain access to, use, and eliminate of goods and services. To put it briefly, this behavior entails the use and elimination of products for the benefit of either the individual or the group. According to Basil G et al. (2013), the notion encompasses all activities undertaken by buyers and consumers in relation to purchases, as well as the mental processes that take place prior to, during, and follow-

ing the actual purchase. Companies may be able to learn about the factors that influence decisions of consumers, including their strategies related to decision-making, information processing skills, limitations, and the reasons behind their selection of products and services, as well as their purchasing patterns and motivations. These elements could inspire the creation of marketing campaigns and plans aimed at fulfilling consumer demands and desires. Therefore, marketers need to ascertain the buyer's perspective and work to sway his decision-making. According to Furaiji et al. (2012), in addition to the marketing mix factors, there are cultural, physical, social, and personal factors that affect consumer behavior. These factors must be identified to help the business develop an effective strategy that will encourage customers to purchase and use a particular product.

1.1 The Problem:

Companies must come up with creative concepts and dependable tactics to persuade consumers to buy their goods. With the development of technology, the initiatives the marketer takes are becoming increasingly important in understanding customer expectations. These can provide the business with a competitive advantage over rivals. The marketing managers need to conduct a thorough analysis of the various factors that drive and sway consumers' decisions about what, where, and why to purchase particular products. One may argue that the comprehension of the customer's decision-making process by the business indicates the success of a marketing campaign. Understanding consumer behavior patterns and the factors that affect them may help a business become successful. Therefore, the purpose of this study is to identify the variables that influence consumers' purchasing decisions and how they perceive important elements such as cost, location, advertising, quality, personnel, tangible proof, and procedure.

2. REVIEW OF LITERATURE

2.1 Consumer Behavior Models:

The business may be able to meet the needs of its customers and turn a profit by having a clear grasp of how they react or behave as well as their purchasing patterns and behavior. This implies that the company has to be conscious of its clients' needs in addition to providing great goods or services. Paine. M (2017) identified multiple models of consumer behavior, which he classified into the following categories: the first being the economic model, which centers on the notion that consumer behavior is driven by the need to satisfy learned and basic needs, leading to a propensity to purchase items that will fulfill needs and bring satisfaction. The next one is a psychoanalytical model called the learning model, which explains how both the conscious and subconscious minds affect consumer behavior. It is followed by the sociological model, which holds that a consumer's purchasing behavior is determined by his position and influence in society as well as by the people he surrounds himself with. However, Patel S and Schlijper A (2018) noted that

the reason consumer goods are made to look good, is to entice consumers to purchase them. The industry's research and development (R&D) organization prioritizes comprehending and managing product attributes primarily for this reason. Nevertheless, a number of factors influence a consumer's buying behavior, including the consumer themselves, his social environment, competitor products in the market, and the brand's marketing approach. Therefore, the author states that it is important to comprehend not only the physical and chemical composition of the products being offered, but also the psychology and sociology of consumer groups. Alexandra. M et.al (2013) made an argument that in order to engage customers in the purchasing process, businesses must identify the patterns of consumer behavior and other pertinent factors that influence this behavior.

2.2. Marketing Mix:

In the field of marketing science, the marketing mix is a somewhat ancient idea. The idea first surfaced in the 1960s, when N. H. Borden applied it (Sorin-George T and Stefan C, 2021). The four Ps make up the traditional marketing mix: price, place (distribution), promotion, and product (McCarthy, 1964). Each of these elements depends on the others and is connected to them all. Following the Second World War, the service industry grew quickly, so marketers tried to add more components to the marketing mix. To begin, they considered the distinct qualities of services, namely; intangibility, inseparability, variability and perishability. Since the early 1980s, a number of writers have added additional tangible and intangible elements, including people (Judd V.C, 1987), service (Vignali C and Davies B.J, 1994), political power and public opinion formulation (Kotler P, 1986), participants, physical evidence and process (Booms B.H and Bitner B.J, 1980), services and staff (Doyle P, 1994), participants, physical evidence, process and personalization (Goldsmith R.E, 1999).employees, physical facilities and process management (Magrath, 1986).Ultimately, the majority of scholars came to terms with the "extended marketing mix," which incorporates Product, Price, Place, Promotion, Physical evidence, Process and People.

2.3 Decision-making Process:

Before deciding to make a purchase, the buyer goes through a number of stages in the decision-making process. First, the customer will understand the necessity for the product or the issue, which he / she believe it needs to be resolved. A search for information will then be carried out, and suggestions regarding how the good or service could satisfy the customer's needs will be made. Following the data search, the buyer will take into consideration a number of available options before beginning to assess each one in light of the priorities and criteria that are important to them. The buyer will consider whether to actually buy the good or service after deciding which alternative is the best fit for the product or products they want to buy. It is referred to as "post-purchase behavior". The decision of the buyer may be influenced by the company in the second and third stages (Kwan C Y, 2008). Fol-

lowing the crucial phase of consumer decision-making, the purchaser proceeds with the process of incorporation, which entails combining information to assess options and select the best one. This process leads to the behavioral intent or the strategy to carry out specific behaviors (Chaipradernsak T, 2007). Investigating how decisions are made at every stage of the purchasing process may assist sellers obtain the information they need to tell customers about their products (Basil G et al. 2013).

A study on the factors influencing consumers' purchasing decisions in mall retail stores was conducted by Ratnakumari K.A (2017). The investigation's findings demonstrated that both non-economic and economic factors had an impact on consumers' purchasing decisions. The following economic factors were found: low prices, combo offers, and product discounts. Non-economic variables, such as salespeople's "Attitude," can also affect consumers' purchasing decisions. Children's entertainment options are another element that draws families to malls for shopping. In summary, the study has determined that non-economic and hedonistic factors influence mall visitors' demand. Similarly, Makgopa S (2016) sheds light on the hedonistic and utilitarian reasons why people visit retail establishments in malls. The author explains how the operations of shopping malls can help consumers meet their needs in terms of finances, social status, esteem, and aesthetics, all of which have an impact on the architecture and design of retail establishments. The study's findings indicated that two important characteristics of retail establishments are their convenience and their extensive product selection. Other factors that affect shoppers include the location, the range of stores, and the availability of parking. Cortázar L and Royo-Vela M (2017) determined that people typically go to malls to enjoy the atmosphere the shopping center offers in addition to purchasing necessities. In a study conducted by Azevedo S et al. (2008) to examine gender variations in consumer purchasing behavior when purchasing clothing within the context of the Portuguese population, it has been established that both men and women tend to favor clothing that highlights their physical features. Women seek function, satisfaction, and comfort, while men prioritize these qualities; women shop primarily on the spur of the moment and usually bring a companion; men, on the other hand, typically shop alone out of necessity and favor items of clothing that are displayed in an appealing and pleasant manner. Men and women alike favored cheap costs, good quality, and variety; however, women made more purchases. Castro I et al. (2013) in the study conducted, discovers that occasionally, poorly stocked and disorganized shelves can lower sales. It was discovered, though, that in certain instances, unkempt shelves with inadequate stock actually seem to boost sales. Furthermore, it was established that limited product quantity and an untidy appearance deter buyers from making a purchase (such as in the case of consumables like fruit juice). However, when the product looks haphazard and the quantity is restricted for items that aren't consumed (like fabric softener), the likelihood of a purchase rising. It was observed that these effects are controlled by brand familiarity. According to Brügggen E et al. (2011), in the study to short- and long-term effects of store remodeling on consumers' cognitions, affect, and behavioral intentions it is observed that long-term remodeling effects become less pro-

nounced; customers who visit a store on their own initiative or in a group are generally more receptive to remodeling; average spending rises temporarily before leveling off. Additionally, the study discovered that store traffic initially stays unchanged.

2.4 Objectives of the Study:

This study aims to investigate the impact of the 7Ps on the purchasing behavior of consumers who regularly visit retail stores for buying their necessities. This primary goal is to investigate the factors that influence consumers' purchasing decisions in retail establishments using the seven components of the service marketing mix: price, place, promotion, product, people, physical evidence, and process. Therefore, the explicit objectives of the study are:

1. To determine the elements that affect consumers' purchasing decisions in brick-and-mortar stores
2. To gauge consumer agreement on the different aspects of the extended marketing mix (7Ps) that could influence their purchasing decisions in physical stores.
3. To investigate how the chosen elements of the extended marketing mix affect the purchasing decisions of the consumers in different retail establishments.

On the basis of the above objectives the following hypotheses shall be tested:

H1: There exists a significant relationship between the Price and the buying behavior of consumers as perceived by the respondents.

H2: There exists a significant relationship between the Place and the buying behavior of consumers as perceived by the respondents.

H3: There exists a significant relationship between the Promotion and the buying behavior of consumers as perceived by the respondents.

H4: There exists a significant relationship between the Product and the buying behavior of consumers as perceived by the respondents.

H5: There exists a significant relationship between the People and the buying behavior of consumers as perceived by the respondents.

H6: There exists a significant relationship between Physical Evidence and the buying behavior of consumers as perceived by the respondents.

H7: There exists a significant relationship between the Process and the buying behavior of consumers as perceived by the respondents.

3. RESEARCH METHODOLOGY

The research design used for this study is descriptive. This study was conducted in Pune and the data was collected using a structured questionnaire. This study employed a causal approach to explain the patterns of associations among variables and assist in determining the type of connections between variables. The study's participants were customers of particular retail establishments. The method of non-probability sampling was employed. For this study, 120 customers were selected, who

had made a variety of purchases from their chosen retail outlets. A survey was conducted by administering a structured questionnaire using online platforms. The purpose of the investigation was to assess consumers' perceptions regarding the 7 P's of the services marketing mix namely; Product, Place, Price, Promotion, Physical evidence, Process and People. Similarly, the study would ascertain whether the recognized constructs have a noteworthy impact on consumers' purchasing decisions. The degree of agreeing or disagreeing of the respondents, with the particular parameter or construct under study was gauged using Likert scales. The internal consistency of the constructs was measured using Cronbach's alpha, the results of which are given below:

Construct	Cronbach's Alpha
Product	0.71
Place	0.70
Price	0.79
Promotion	0.76
People	0.72
Process	0.69
Physical Evidence	0.80
Buying Behavior	0.78

Table 1: Cronbach's Alpha of Constructs

It is observed that the values of all the constructs are ≥ 0.7 therefore the items are found to be internally consistent.

4. DATA ANALYSIS

This study received responses from a sample size of 195 respondents. A large proportion (i.e. 110 respondents) of those who participated in this study were married, educated women in the 20–35 age range who were employed with either the public or private sectors.

In order to test the hypotheses, a statistical evaluation approach known as correlation analysis is used to examine the direction and strength of an association be-

tween two variables. The Pearson Product Moment correlation coefficient (r) was determined in this study which has a value between +1 and -1.

		Product	Place	Price	Promotion	People	Process	Buying Behavior
Buying Behavior	Pearson's r	.510**	.421**	.543**	.498**	.513**	.522**	1
	p-value	.000	.000	.000	.000	.000	.000	

** Correlation is significant at 0.01 (2-tailed)

Table 2: Correlation between Buying Behavior and 7 P's

The results indicate that all seven Ps marketing mix variables have a positive and significant correlation with buying behavior of customer, according to research results shown in the above table. The product, price, place, promotion, people, physical evidence, and process appear to have a positive relationship with purchasing behavior, according to the results of Pearson r calculations, rejecting all of the null hypotheses.

Therefore based on the above results,

Hypotheses	Result
H1: There exists a significant relationship between the Price and the buying behavior of consumers as perceived by the respondents.	Fail to Reject
H2: There exists a significant relationship between the Place and the buying behavior of consumers as perceived by the respondents	Fail to Reject
H3: There exists a significant relationship between the Promotion and the buying behavior of consumers as perceived by the respondents.	Fail to Reject
H4: There exists a significant relationship between the	Fail to Reject

Product and the buying behavior of consumers as perceived by the respondents.	
H5: There exists a significant relationship between the People and the buying behavior of consumers as perceived by the respondents.	Fail to Reject
H6: There exists a significant relationship between Physical Evidence and the buying behavior of consumers as perceived by the respondents.	Fail to Reject
H7: There exists a significant relationship between the Process and the buying behavior of consumers as perceived by the respondents.	Fail to Reject

Table 3: Result of Hypotheses

5. CONCLUSION

Given that the association is trending in a positive direction, customer buying behavior increases with increased marketing mix implementation. While promotion and place have low correlation values, price, product, people, and physical evidence have moderate correlation values. This demonstrates that the marketing mix and buying behavior of customer tends to have a weak or moderate relationship.

6. RECOMMENDATIONS

In-depth research into consumer groups' psychology and sociology, in addition to the physical and chemical makeup of the products on sale, is required of the companies that own the retail stores. In order to do this, retail businesses are required to be able to predict the response of customers to advertisements, product attributes, and list prices. Retailers must determine a prime location with parking spaces along with other features that appeal to customers, as it has been observed that place has a positive relationship with purchasing behavior. As prices positively influence consumers' purchasing decisions, retail managers and owners need to come up with creative ways to offer prices that give their patrons a good value for their money. Seasonal pricing and discounts can entice more customers to return and keep purchasing goods. Retailers should constantly look for novel approaches to use social media and other new technologies to reach out to their customers. Using these marketing strategies to close the communication gap may increase profitability. Employees of retail outlets also need to receive customer service training as selecting and developing the right personnel may provide the company a competitive advantage. Customers who receive exceptional customer service are more likely to have a positive experience and return to the retail store. Store owners need to use

effective merchandise display to draw customers into the retail space. Staff members' creativity needs to be encouraged in order to draw attention to the store's aesthetic appeal and atmosphere, which can help draw in new business and keep hold of current clientele. The customer experience could be enhanced by the availability of products, warmth of treatment, and cleanliness.

It is advised that marketing directors and managers to look for ways to enhance their management choices with regard to the creation and execution of marketing strategies, assessment or control of decision-making, tactical decision support, and the suggestion of alternative positioning attributes that will result in a rise in shopping center visits and sales.

It is additionally suggested that comparable investigations be done by other academics in a different context and with a larger scope.

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