

Factors Impacting the Buying Behavior of Housewives towards Hypermarkets in Karachi

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Abstract

The objective of this research is an effort to understand what are the factors that impact the choice of hypermarkets made by housewives and what do they think about the factors like Convenience level, Store atmosphere, Price and Variety of products, which influence the buying behavior. This research is qualitative in nature and in-depth interview technique is used for the collection of data through respondents and then thematic analyses have been constructed. The results of the study concluded that Convenience level is the most important factor that affects the choice of hypermarkets for the housewives. It is considered as a positive factor for their shopping experience. Some factors within convenience level include parking space available, a well-stated store in terms of prices and category placement so that it saves time and the most important convenience factor due to which housewives are not willing to shift permanently to other store is the location/nearness of the hypermarket to their homes. It is further concluded that the Store atmosphere must be friendly that doesn't make the customer confuse every time they visit the store. Proper placement of the goods on the aisle, space between them, lightening and the music it is being played all affects the shopping experience of the customer. Prices do affect the way the customer shops but it is not considered a factor that makes the customer shifts their store permanently if it's not convenient for them. Variety is the least impacting factor that would make the customer shifts their outlet. The housewives generally like hypermarkets as it serves as a one-stop shop for them for all their required items

Keywords: Hyperstar, Buying behavior, Housewives, Convenience Level, Store Atmosphere, Variety of Products

1. INTRODUCTION

1.1 Background of Research

Pakistan being an agro-based economy has been seen rapidly developing in the retail sector. The turnover from the retail sector is reportedly 17% of GDP. Another nationwide statistics reveal that on an average a citizen spends 42% of his income on food items. This has resulted in many retailers to invest in the import of food products as well (Ahmed et al., 2014).

The Kiryana stores also known as mom and popshops dominate Pakistan retail sector. They are unorganized and exist all over the country. Their profit margins are low and they focuses on basic necessities. Following this format are the general stores or departmental stores which can be easily located in every neighborhood. They have a greater variety of products categories to offer to the shoppers and their store size is also larger than the kiryana stores (Ahmed et al., 2012).

The third type of popular retail format is the chain stores or the hypermarkets. The hypermarkets in Pakistan are only a few and located only in urban areas catering to their needs and wants. These hypermarkets are mostly a result of foreign investments. They are extremely popular amongst the shoppers because of the variety of facilities they provide such as the parking space, variety of product categories (electronics, housewares, food, confectionaries, furniture etc.), promotions and discounts, better quality, imported items, different methods of payment, after sales services etc. (Ahmed et al., 2014).

This type of retail format helps companies to identify and study the consumer insights such as their buying behavior, their impact on purchase decision, their spending patterns, identifying decision maker etc. (Markus, 2007).

The growing trends if these chain stores created an interest for us to study the purchasing patterns of the shoppers in these hypermarkets. Previous studies show that housewives are the gatekeepers of the grocery shopping and are the key decision makers. Hence, our study focuses on how different factors in these hypermarkets affect the buying decisions of housewives (Management Advisory Center, 2006)

1.2 Operationalizing the Variables

Hypermarkets: A large spacious retail outlet primarily a combination of supermarket and departmental store is defined as hypermarkets. A retail facility designed to provide a wide variety of product categories including groceries and general commodities. Hypermarkets satisfy all the routine shopping needs in one trip (Wood, S., &

Browne, S., 2007).

Convenience at hypermarkets covers a wide spectrum for the consumers which may include the parking facilities, location, after sale services, checkout counter etc. Retailers have understood the need to improvise these components to attract a wider audience (Paulins, 2003).

Store layout: Various factors together constitute the in store layout of a retail outlet. Some researchers have focused upon shelf configuration, types of products and shelf placement, aisles (Ahmed, Parmar & Amin, 2014).

1.3 Research Problem

Management Dilemma: Hypermarkets in Karachi and their impact on housewives' buying behavior

Management Question: What factors impact the buying behavior of housewives towards hypermarkets and how?

1.4 Research Questions

- Why are housewives attracted towards a supermarket?
- What is the key factors which affect their shopping experience?
- How can those factors be manipulated to impact the buying behavior?
- How important is the role-played by the store layout during shopping at a super store?
- Is bulk buying and promotions the underlying reason for the attractiveness towards the superstore?
- How does the convenience factors influence purchase intention and in turn sales and profits?

1.5 Research Objectives

- To see if the store atmosphere have a positive impact on the buying behavior of housewives
- Study how the variety and choices available to housewives have impact on the purchase behavior in hypermarkets
- The influence of price and discounts in hypermarkets on buying behavior
- To see how convenience level in hypermarkets impacts the buying behavior of housewives

1.6 Variables

1.6.1 Independent Variable

- Store atmosphere
- Variety/choices
- Price and discounts
- Convenience level

1.6.2 Dependent Variable

Buying behavior – Purchase Intention

1.7 Sources of Data

Primary data has conducted through in-depth interviews and secondary data has been collected through Internet and Journals.

2. LITERATURE REVIEW

Consumers have more options now in terms of products selection in supermarkets. For this reason, today's consumers are very much demanding and their purchasing behavior is changing over time (Besharat, 2010; Ahmed, Ahmad & Arif, 2014). They can choose from available branded products and supermarket's private brands. In advanced countries, some consumers choose to purchase supermarket's own brand due to price (Devis, 1998). In developed countries, supermarkets always try to promote their own brands along with selling others branded products (Liljander et al., 2009). In Malaysia, the consumptions of own brand have also shown significantly increasing since 2009 (Ganesah, 2010). Based on past studies on branded products, the factors of perceived price (Veale & Quester, 2009), quality (White et al., 2009), confidence (Anchor & Kourilova, 2009), social influence (Kulviwat et al., 2009), and brand image (Mohan, 2013) are proven predictors for purchase intention. Responsiveness is also an important factor affecting purchase intention of customers. Customers expect the stores to understand their needs and address them in a timely manner with the availability of necessary items all the time. It is found to be a significant determinant of customer satisfaction of retail stores. (Conway and Andalib, 2006). The pricing policy of retail chain stores can also greatly influence customers because price has the capability of attracting or repelling them (Monroe, K.B. Grewal, D., and Krishnan, R, 1998), especially since price functions as an indicator of quality (Lewis and Shoemaker, 1997). If the price is high, customers are likely to expect high quality, or it can induce a sense of being "ripped off, (Conway & Andaleeb, 2006)". Pricing plays an important role in forming consumers' perception regarding products and

services. (Ramirez & Goldsmith, 2009). According to Veale et al. (2009), information and details about the product cost, transaction cost and its accessibility through mass media influence consumers' evaluations and reactions to price. Most experts think that price is an indication of quality (Chandrasekaran & Grewal, 2006, Roberta & Quester, 2009).

3. METHODOLOGY

3.1 Research Design

The research design adopted for our research is a qualitative research. It is a one-time, cross-sectional research that was carried out by using tools such as in-depth one to one interviews (IDI's). The main objective behind our research was to gather insights and to find the impact of hypermarkets on the buying behavior of housewives.

To do this, the target audience selected for our research was females, who were housewives and fall under the age bracket of 22-50 years. The target audience was selected based on our own convenience and therefore convenience sampling technique was used (Ahmed, Kazmi, & Arif, 2014). Three hypermarkets of Karachi were selected for our research namely; Hyperstar, Naheed and Imtiaz. These are selected keeping in view that they are famous, well known and most visited hyper stores by our target market. The sample size was of around 9-12 respondents from each age bracket, covering each hypermarket selected.

A discussion guideline for our IDI's was made that was an unstructured one that helped us in finding the insights of our respondent. And these interviews were conducted on respondents based on our own convenience due to time and cost constraints.

Table.1: Target Audience

Profiling of Target Audience	
Gender	Females
Marital status	Married - Housewives
Age Group	22-40 years
	• 21-25
	• 26-30
	• 31-35
	• 36-40
SEC	SEC A and B
Area	• P.E.C.H.S
	• Clifton
Recruitment Criteria	Who are the decision maker and a buyer of household/grocery items Who have visited either of the three supermarkets selected for our research

Table. 2: Sample Split

	21-25	26-30	31-35	36-40	Total IDI's
Hyperstar	1	1	1	1	12
Imtiaz	1	1	1	1	
Naheed	1	1	1	1	
Total	3	3	3	3	

4. Data Analysis & Findings

We conducted nine In-depth interviews as our research to understand the consumer buying behavior and gain insights for retailers. Our research adapted a memory-based approach. These in-depth interviews were divided as per the age group:

- 22-30
- 31-40
- 41-50

The results drafted below are a result of the IDIs conducted. They have been analyzed after undergoing through the procedure of coding which enabled us to categorically devise the results under the heading of our 4 independent variables.

4.1 Store Atmosphere

The store atmosphere refers to the entire store environment that the customer encounters during their shopping experience. When asked how they would describe an ideal store atmosphere most responses were that the store

must be a one-floor store, spacious with proper kiosks for each category item properly mentioned. Majority of the respondents from the age bracket of 41-50 said that the store must have a seating arrangement as it will help them to feel relaxed while they shop and get tired.

Majority of the respondents from all age bracket felt that a well-guided store saves time and energy in searching for an item. This helps them to locate the required item easily. Some of the respondents going to Imtiaz (Bahadurabad) didn't like the layout of the store and the way it was managed as it is very haphazard, makes their shopping very hectic unlike other stores like Naheed and Hyperstar but the convenience and price factor act as a limiting factor for them to go to other outlets.

Music, smell and the lighting plays a very important role when it comes to in-store atmosphere. One of the respondents when describing their experience at one of the hypermarkets said:

"One good thing about Hyperstar is that it's brightly lit. Before that I used to go Metro and it had a dim lighting which used to annoy me a lot."

Talking about the in-store atmosphere, the sales staff and the helpers at the checkout counter plays a very important role and provides ease to customers. When asked about the ideal store that the customer would want most responses that came out were:

"Single floor, having properly mentioned place for each category, seating arrangement."

4.2 Variety/Choices

Variety was also one of the important factors when it comes to store selection. Majority of the respondents think and feel that out of the three supermarkets that was mentioned Naheed have the highest variety available at their store. However, the variety differs from one retail outlet to the other.

Majority of the respondents felt that the variety and quality are at times interlinked with each other but many others also feel that quality at times play a more important role. The best quality and variety outlet was Naheed. When we talk about local products, the variety remains constant at all store, however imported products variety vary from store to store.

To conclude about the variety factor, our respondents feel that the variety that is being offered at their respective store is satisfying for them, especially for the people from age bracket 41-50, as they don't really feel like changing their store just for the variety factor. The reason identified was that if one particular category or a brand is not available, they would get it later from a nearby store.

4.3 Convenience Level

The respondents rated convenience as an important factor. Within convenience, the most important factor that emerged was the parking space available to the respondents. The in depth interviews for different age brackets and different stores highlighted the need for a good parking space. Valet services were preferred by majority of the respondents in the age bracket of 22-30 because they usually drive on their own. Housewives in the upper age brackets preferred a parking space as they are usually accompanied with their husbands or sons and for them the common factor was the fear of theft.

All respondents of all ages going to different superstores emphasized on the location of the outlet. Their selection of a store and buying decision was primarily based on the location of the outlet and nearness to the place. A participant going to Hyperstar stated:

"I would only prefer going to Hyperstar because it is near to my place. There is no point of going to Imtiaz near Korangi because it is a lot of hassle because of traffic and the end result would be zero savings."

All respondents preferred the nearness of the outlet. This factor had the most crucial impact on the buying behavior and the purchase intention of the housewives. The in depth interviews helped us understand the psychology of the shoppers. The respondents chose the outlet, which was near their place, but another factor, which coupled the buying decision, was the parking facility. 70% respondents clearly stated in their interview that they prefer Hyperstar over Chase. Though both were equally near their place but Hyperstar had a better parking facility and Chase Clifton lacked that feature.

Two very important factors, which affect the buying behavior of housewives, were the resting area and the after sales services offered by a hypermarket. Consumers want a better after sales services whereby they are treated properly in case of any malfunction of any product, return or exchange of the product. Respondents expressed their desire to have a resting area, which will have a positive influence on their shopping experience.

Majority of the housewives in the age bracket of 22-30 and 40-50 stated that an ideal hypermarket for them would be one, which has a resting space available. The reason for females of age 22-30 was that their kids usually accompany them and it would be of great assistance if they could rest for 5 minutes and even their kids. The reason for females above 40 was the age factor and none of the stores under our study provide a resting area between the shopping. The shopping trip lasts around 1 -2 hours and it gets difficult for them to shop non-stop.

Majority of the respondents gave importance to the convenience factor. It had a direct impact on their decision of the outlet and a favorable or unfavorable shopping experience. The space between aisles was another

factor, which hampered females to opt for Imtiaz. Though Imtiaz offers wholesale prices and may attract many customers in that regard. However, the space between the aisles was not sufficient and that was a negative factor while shopping.

A well-stated and well-priced store is said to have a favorable impact on the buying decision. Housewives preferred a hypermarket where the prices of the products are clearly written and they have employees to assist and help them. This generates a positive feeling and encourages the customers to buy more goods. A respondent said

“If I want to buy something and don’t find the price stated I move on to the next aisle or category. Why should I waste my time looking around for their workers to assist me?”

On the other hand a respondent said:

“One thing I like about Hyperstar is that they have electronic bar code readers installed. If any product doesn’t have a price written you can easily check it on that device. A well stated store has a positive impact.”

4.4 Prices and Discounts

Price was an important factor for housewives and had an impact on their purchase decision. But it did not have a greater impact.

The customers agreed with the notion that Hyperstar is known for bundle pricing, Naheed for a relatively higher price and Imtiaz for wholesale prices. The housewives still preferred Naheed for other reasons such as convenience and were willing to pay a value added prices for the variety and services offered to them. People who chose to go to Imtiaz were divided into two halves. The first half opted for it because of the wholesale prices, the other half for its location and nearness to the place.

Housewives shoppers at Hyperstar were quite attracted to the bundle pricing and their weekly bundles and on-going promotions. A few respondents said they alter their grocery timings if they find an attractive promotional scheme, which saves them a lot. An example was quoted “Hyperstar’s free trolley promotion” whereby through lucky draws people can get all the items they shopped for free.

Thus, price influences the buying behavior of housewives at hypermarkets but is not a primary factor impacting their purchase intention.

4.5 Key Findings

4.5.1 Convenience Level

- The most important factor considering the buying behavior of housewives towards hypermarkets in Karachi.
- Factors that contributed towards the convenience at the store include location/nearness of the outlet to the homes, parking facility, ease of shopping at the outlet
- This factor is considered as the most favorable factor contributing positively towards the choice of hypermarkets

4.5.2 Store Atmosphere

- From our analysis, store atmosphere is the considered as the second most important factor after convenience level
- The store environment must be friendly and well guided for the customers
- It must be relaxing that would make customers enjoy while they shop
- Store atmosphere, if presented in the way the customer wants, is one of the favorable factor that impacts the buying cycle of the customers and their purchase intention

4.5.3 Prices and Discounts

- Price was an important factor for housewives and had an impact on their purchase decision. But it did not have a greater impact.
- Respondents prefer going to outlet that is near to their homes as location and convenience is very important to them.
- People may opt going to other outlet to avail the promotional schemes and discount prices but not always
- Price influences the buying behavior of housewives at hypermarkets but is not a primary factor impacting their purchase intention

4.5.4 Variety/ Choices

- It’s the least important factor out of the four that would make the customer shift from their current outlet to the one with the highest variety of goods
- Respondents agree to the fact that Naheed have the highest variety of goods available, followed by Hyperstar and then Imtiaz
- Respondents won’t change their outlet decision just on the basis of more variety at other outlet as convenience and location factor is more important to them

5. CONCLUSIONS & RECOMMENDATIONS

5.1 Conclusion

- Our research was an effort on our part to understand what are the factors that impact the choice of Hypermarkets made by housewives and what do they think about the mentioned factors. Following are some conclusions for our research:
- Convenience level is the most important factor that affects the choice of hypermarkets for the housewives. It is considered as a positive factor for their shopping experience. Some factors within convenience level include parking space available, a well-stated store in terms of prices and category placement so that it saves time and the most important convenience factor due to which housewives are not willing to shift permanently to other store is the location/nearness of the hypermarket to their homes. However, convenience has a direct impact on their decision of the outlet and a favorable or unfavorable shopping experience.
- Store atmosphere must be friendly that doesn't make the customer confuse every time they visit the store. Proper placement of the goods on the aisle, space between them, lightening and the music it is being played all affects the shopping experience of the customer. A proper store atmosphere can play a favorable role in the store selection by the customer.
- Prices do affect the way the customer shops but it is not considered a factor that makes the customer shifts their store permanently if it's not convenient for them. And customers/housewives are very much aware of the fact how price differ from one store to another.
- Variety is the least impacting factor that would make the customer shifts their outlet. They know that every basic essential item is available at all the three hypermarkets but some do have more variety than the others but considering these three not much difference/variability is there.
- Hypermarkets generally are liked by the housewives as it serves as a one stop shop for them for all their required items

5.2 Recommendations

- Hypermarkets must be more of a one floor store as housewives at time finds it very tiring going up and down the floors to get their required item
- The categories available at the store must be properly and clearly mentioned
- Numbering the aisle and placing store map at different corners so that it becomes easy for the customer to find the product category that they want
- Seating arrangement must be made for the customers
- Valet services must be there
- Promotional schemes should be offered to everyone now and then so as to increase customer footfall.

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