Impact of Retail on the Indian Consumer

vinita choudari, India
rumilla lobo

Retail shopping today is not only built around the purchase of a product rather consumers are buying into a complete package, a complete experience. The big question today is: What has propelled this change, why has Retail redefined itself into an experience which is therapeutic for the new age Indian consumer. This qualitative study will focus on understanding the change in the consumer’s attitude towards shopping in retail outlets and analyze the impact of retail on their thinking, behavior and habits. The study also delves into the different coping strategies adopted by the consumer to help use this retail boon to their advantage.

[to cite]:


[url]:

http://www.acrwebsite.org/volumes/14785/volumes/ap08/AP-08

[copyright notice]:

This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
Impact of retail on the Indian consumer
Vinita Choudari, India
Rumilla Lobo

ABSTRACT

Overview of the Research:
Over the last few years marketers having studied the Indian organised retail sector have come to the conclusion that India is currently in the second phase of the retail evolution cycle, with consumers becoming more demanding with their rising standard of living and changing lifestyles. The major factors fuelling this growth spur are the increase in disposable income of the people, improving lifestyles, increasing international exposure and increasing awareness among the customers. These macro level factors alone cannot be responsible for fuelling this market growth, having the money to buy does not necessarily translate into an actual purchase. The Indian consumers have been quite clever in the manner that they have used the retail boon to their advantage, they have more options than ever before and they exert their power of knowledge very well.

Methodologies: Ethnographic observations and one on one depth interviews have allowed us combine the 2 worlds of what consumers say versus what they actually do in reality.

Ethnographic observations: Ethnography presents the results of a holistic research method founded on the idea that a system’s properties cannot necessarily be accurately understood independently of each other hence only on observing the actual behaviour of consumers in the retail outlet allowed us to understand how the consumers interacts with different elements in a retail outlet.

One on one depth interviews: each consumer’s retail experience has its own unique stamp hence one on one depth interviews as a format allowed us to capture individual experiences and understand the consumer’s attitude to retail.

Significance of the Research:
This research makes an important contribution to the marketing retail literature. The results show that it is the new age Indian consumer’s psyche that has changed with the focus shifting from just buying to buying into an experience. Retail shopping today is not only built around the purchase of a product rather consumers are buying into a complete package, a complete experience, so much so that we predict that the consumers will soon find it difficult to shop in their regular traditional retail format. Our results suggest that retail has redefined itself into an experience which is therapeutic for the new age Indian consumer. What the marketers would define as enticement through the combined effort of product display, promotions, store layout, product interaction, sales personnel etc has all come together to create a whole new world called ‘Retail Therapy’.

On observing consumer behaviour is various retail outlets we have come to conclusion that retail therapy works on the emotions of a consumers. This complex emotion can be defined as a positive mood enhancement that makes it possible for a consumer to emotionally feel for a product.

This does not imply that the rational and functional evaluation of the product is not taking place; rather the consumer is also soaking in the feel of the product.

Consumers have paralleled this experience to pampering oneself in a spa, going through the emotions of courtship, where consumers have started getting addicted to this ‘emotional high’. A case study will help capture this emotional high, a consumer buying a shirt at a rational level evaluated the product on the dimension of fabric texture, quality colour but the experience built around the product is what he is connected to for example the trail rooms, the large mirrors makes the consumer feel like he is on the ramp where the focus is entirely on him indicating that what is driving the consumers is the flattery, pampering of ones ego.

Retail therapy gets manifested into different forms for each consumers for example it could be a means to escape from the monotony of running a household for a housewife, a means to pampering oneself for an executive seeking a break from his stressful work life, a means to showing off among friends for a child.

One might ask, what caused this Retail Redefining to take place, what started out as a simple purchase has now turned into a complex matrix of emotions where the consumer is seeking emotional gratification not from the source but through the means. The Indian consumer is using the world of retail as their palette where they pick the stores they want to shop in based on their mood and experience they seeks.

Implications: In light of the recent market recession our research has been able to capture this shift in the consumer’s mindset from a Retail therapy mode to Value for money mode. The consumer has not stopped shopping in their retail outlet but what has changed in the number of visits and the shift into an evaluation mode where maximizing on the best deal is more important. It therefore becomes important for retail outlets to sense the mindset of the consumer and to capitalize on both their fears and pleasure points.

References
Retail management 3 e: Levy Michael, Barton A. Wetz
Retail marketing management: David Gilbert
Consumer behaviour 7e: L.G. Schiffman, L.L Kanuk
Retail management text and cases: Swapna Pradhan
One land one billion minds- Ramanujam Sriradar- 2007
We are like that only – Understanding the logic of Consumer India- 2007
It happened in India – Kishore Biyani- 2007

Advances in Consumer Research (Volume VIII), © 2008