Consumer Purchase Decision towards Supermarket in Kathmandu Valley

Dr. Achyut Gnawali

Associate Professor, Tribhuvan University, Kathmandu, Nepal.

Corresponding Author: *Achyut Gnawali, Associate Professor, Tribhuvan University, Kathmandu, Nepal.*

ABSTRACT

Consumer behavior is all about the decision of consumer to buy and use products and services. Understanding the consumers, it is worthy to entering the market. Marketers spend significant fund trying to explore this phenomenon. Several factors are involved in costumers' buying decisions, any one of which can became deciding factors. The objective of this research is to examine the relationship of the factors of purchase decision and customer purchase decision. The results indicate that there is a positive relationship of physical environment, temporal perspective and consumer purchase decision. However, it was found that there is no relationship of social environment and consumer purchase decision. This research has proved that good products stimulate interest in consumers and consumers are bound to make purchase decision provided that they are offered with physical surrounding, temporal perspective, task definition and antecedents.

Keywords: *Consumer Purchase Decision, Social Environment, Physical Environment, Temporal Perspective, Task Definition and Antecedents.*

INTRODUCTION

Consumer behavior is all about the decision of consumer to buy and use products and services. Understanding the consumers, it is worthy to entering the market. Marketers spend significant fund trying to explore this phenomenon. Several factors are involved in costumers' buying decisions; any one of which can became deciding factors. Several previous studies suggested that there are many factors that directly or indirectly affect consumers' purchase decisions psychologically. Various marketing strategies are being applied by the marketers to attract customers.

Due to increasing demand of costumers, marketers are trying different ways to differentiate their services. According to Hussain (2015) research atmospheric variables such as cleanliness, scent, lighting and display/ layout have a positive influence on consumers purchase intention; whereas music and color have insignificant impact on consumers purchase intention. It is said that social shopper tends to spend more money than the solitary shoppers than those who come alone to store.

Research indicates that there is significant relationship between the sizes of shopping party, time spent shopping and number of item purchased. This research emphasized towards understanding this phenomenon in Nepalese supermarket.

OBJECTIVE OF THE STUDY

The study focuses to the following objectives:

- To examine the factors effecting consumer purchase decision towards supermarket in Kathmandu Valley.
- To examine the relationship between the consumer purchase decision and its determinant factors.

Literature Review

Previous studies indicate that people have various motivation for shopping: some for a purely utilitarian purpose, (Arnold, 2003) others for hedonistic reason. Social surrounding, the process of friends and relatives may have an important role in consumers' purchasing decisions or in there sensitivity to product price (Wakefield, 2003). The role of children in purchasing behavior is similar to companions. The role of children in purchasing behavior is similar to companions (Anic, 2006). Task may reflect different buyer and user roles anticipated by the individual. Past researches suggests e.g., (Belk, 1975) there is a positive association between travel time to store and purchasing outcomes, in such a way that distant shoppers (who travel for half an hour or more to mall) are

more likely to purchase and spend more money than near shoppers who travels for less than half an hour to store. Seasonal factor influence travel and entertainment (Roslow, 2000).

Nochollas, Roslow and Dublish (1997) found that slow shoppers (who spent more than hour in mall) purchase more item and spent more money than quick shoppers (Nicholls, 1997).

The willingness and ability of both consumers and marketers to in gage relational marketing will lead to greater marketing productivity.

In the past, advertising used to be one of the most effective marketing tools to reach the target customers to influence their purchasing decision. However, today marketers put more emphasis to sales promotion and are gradually shifting away from traditional method of advertising towards sales promotion.

Furthermore, with the advent of Internet technology, customers today are more informed about the product offerings, and as a result it has influenced companies to fight harder and faster for every sale (Cummins, 2008).

Likewise, the value created by sales may also vary depending upon the different types of sales promotion such as free sample, price discounts, coupons, point of sale display promotions etc. It provides direct impact on consumer behavior and accelerates the selling process by influencing consumer to make a swift purchase.

Customers look for more fun from the brands they buy. Furthermore, marketing has long known that buying decision depends largely on reason for and action. The buyers of product set goals and time to achieve it by making a decision in the market place.

Hypotheses

H1: There is significant relationship between physical environment and consumer purchase decision.

H2: There is significant relationship between social environment and consumer purchase decision.

H3: There is significant relationship between temporal perspective and consumer purchase decision.

H4: There is significant relationship between antecedents and consumer purchase decision.

H5: There is significant relationship between task definition and consumer purchase decision

RESEARCH METHODOLOGY

Research Design

This research employed a descriptive and correlation research design. It emphasized on examining the relationship between the consumer purchase decision and its determinants factors.

Sample and Sampling Techniques

A sample of 200 consumers was selected as a sample for understanding the phenomenon. Convenience sampling method was employed for this study.

Instrumentation

The dimension of the purchase decision was measured in five variables i.e., Social environment, Physical environment, temporal perspective, Task definition and Antecedents in 25 items of 5 point Likert scale statements. The alpha coefficient for the 25 items of Reliability is 0.794.

Table1. *Demographic profile of the respondents*

Age in years	N	%	Gender	N	%
Below 20	33	16.5	Male	108	54
20-30	37	18.5	Female	92	46
30-40	76	38	Total	**200**	**100**
40-50	24	12	**Education**	**N**	**%**
50 and above	30	15	Below graduation	62	31
Total	**200**	**100**	Graduation	73	36.5
Occupation	**N**	**%**	Masters	65	32.5
Employed	158	79	**Total**	**200**	**100**
Business	27	13.5			
Others	15	7.5			
Total	**200**	**100**			

Data Collection Procedure

Data for the study was collected through the self-administered survey questionnaire method. The questionnaire was distributed among the costumers and collected at once in various supermarkets in Kathmandu valley.

Data Analysis Procedure

Descriptive analysis and inferential analysis was employed to analyze the data. Mean, standard deviation, correlation and regression analysis were employed.

RESULT

Demographic Profile

In this research the participation of majority age group was age of 20-30 years. It represents 18.5% of the total sample of this research. Secondly, the respondents of the age 30-40 years represent 38% and below 20 represent 16.5% of the total sample.

Likewise, majority of the gender were male (54%), graduates (36.5%) and employed (79%). The detail is presented in table 1.

DESCRIPTIVE ANALYSIS

Physical Environment

The result shows that respondents have agreed attitude about the satisfaction of the variety of the brand available in the market with mean score of 3.88 with SD=0.613. Respondents agreed to the origin of the country affect the purchase decision with mean score of 3.78 and standard deviation of .749. Respondents agree that their families are from urban area with mean score of 4.14 and standard deviation of 5.70717 simultaneously.

Table2. Descriptive statistic of Physical environment

Opinion statement	Mean	SD
I am satisfied with the variety of brand availability in the market	3.88	.613
I agree that the country of origin affects my products purchase decision	3.78	.749
My family is from urban area	4.44	.707
Physical environment	3.86	.123

Social Surrounding

Result as show in table 3, respondents agree that they like to go for shopping in the mall with mean score of 2.48 and SD=0.504. Similarly,

respondents also agree that the main motive behind the purchasing the products is brand with mean score of 3.30 with SD is 1.015. This implies that the band is the motive for a person

Table3. *Descriptive statistic of Social environment*

Opinion statement	Mean	SD
I like to go for shopping in the mall	2.48	.504
The main motive behind my purchase is brand	3.30	.01
My source of purchasing the things is advertisement of products	2.74	.876
Social environment	2.84	.531

Temporal Perspectives and Purchase Decision

Results show that perception of respondents towards the price discount influences them mean value is 4.34, SD= 0.43. Respondents also agree that mostly they use to purchase the

products if there is price discount with mean score of 3.87 with SD=0.437. In total it shows that price influence respondents to make their purchase decision the mean value is 4.31 with SD= 4.31.

Table4. *Descriptive statistic of Temporal perspectives*

	Mean	SD
Price discount influence me to make unplanned purchase	4.34	.043
I make my purchase if there is price discount	3.87	.437
I often purchase products displayed in stores	3.99	.587
I usually preferred branded products	2.63	.284
I usually purchase low cost products	3.58	.30
Temporal perspective	4.31	.340

Task Definition

The result show that the respondent perception towards agree that branded products are better

than non-branded products with mean score of 4.34 and SD0.98. Likewise, total task definition has the mean value of 4.29 with SD=.352.

Table5. Descriptive statistic of Task definition

Opinion statement	Mean	SD
I think branded products are better than non-branded products	4.34	.098
My purchase decision is based on sells promotion offered by brand	3.49	.09
Free sample influence me to try new products	3.48	.74
Task definition	4.29	.352

Table6. Descriptive statistic of Antecedents

	Mean	SD
I am loyal customer for product I buy	4.78	.348
Displays and promotional offers informed in the store attracts me	4.84	.265
Attractive and clear point influence my purchase decision	4.24	.563
I think the advertisement of products has a major influence in my buying decision	4.76	.376
Antecedents	4.90	.445

Antecedents

Results show that the respondents agreed that the point displays and promotional offers informed in the store attract them and influence their purchase decision with mean score of 4.48 with SD=0.348. The total score of antecedents is 4.9 with SD= 0.445.

Correlation Analysis

The correlation analysis show that shows that there is no relationship between social environment and consumer purchase decision, the p value>0.05. Hence the H1 is rejected.

The correlation coefficient between physical environment and purchase decision has been found to be significant at 5%. Hence, H2 is accepted.

The correlation coefficient between temporal perspective and purchase decision has been found to be positively correlated at 1% level. Hence, H3 is accepted.

Likewise, the result shows that task definition and purchase decision are positively correlated. The p-value is significant at 5% level, which means that there is significant relationship between task definition and purchase decision. Hence, H4 is accepted.

In similar manner, the relationship between antecedents and purchase decision are positively correlated. The p value is significant at 5%. Hence, H5 is accepted.

Table7. Correlation Matrix.

		Purchase Decision
Social Environment	r	.233
	p	.072
Physical Environment	r	.254
	p	.035
Temporal perspective	r	.642
	p	.007
Task definition	r	.645
	p	.027
Antecedents	r	.704
	p	.045

DISCUSSION AND CONCLUSION

The objective of this research is to examine the relationship of the factors of purchase decision and customer purchase decision. As such the researcher studied various promotional tools like physical environment, social environment, temporal perspective, task definition and antecedentswith the consumer purchasing decision. The result of this research provides important information about the relationship of factors on consumer purchasing decision. It is apparent that each consumer has their own personal trait when selecting a product and making a purchase decision. However, it has been observed that with the increase in the sales promotion offered by every brand nowadays, the perception of the consumers and their buying behavior has changed drastically. On the basis of literature review various independent variables have been identified to measure the purchase decision.

Good products play a vital role in marketing in any business nowadays. Researches show that a large percentage of company sales are being made based on quality of the products. This situation is becoming more apparent in Kathmandu. Marketers have started using assortment of promotional tools offering consumers an extra incentive to make purchase decision. It has been observed that the consumer's perception towards good products has remained positive. As such, the result of this research proves that sales promotion tools such as, physical surrounding, social surrounding, temporal perspective, task

definition and antecedents play a key role in influencing the consumer's purchase decision. This research has proved that good products stimulate interest in consumers and consumers are bound to make purchase decision provided that they are offered with physical environment, social environment, temporal perspective, task definition and antecedents.

REFERENCES

[1] Arnold, M. J., & Reynolds, K. E. (2003). Hedonic shopping motivations. Journal of retailing, 79(2), 77-95.

[2] Anić, I., & Radas, S. (2006). The impact of situational factors on purchasing outcomes in the Croatian hypermarket retailer. Ekonomski pregled, 57(11), 730-752.

[3] Belk, R. W. (1975). Situational variables and consumer behavior. Journal of Consumer research, 2(3), 157-164.

[4] Cummins, S., Findlay, A., Petticrew, M., & Sparks, L. (2008). Retail-led regeneration and store-switching behaviour. Journal of Retailing and Consumer Services, 15(4), 288-295.

[5] Hussain, R., & Ali, M. (2015). Effect of store atmosphere on consumer purchase intention. International Journal of Marketing.

[6] Nicholls, J. A. (1997). Time and companionship: key factors in Hispanic shopping behavior. Journal of Consumer Marketing, 14(3), 194-205.

[7] Nicholls, J. A. F., Roslow, S., & Dublish, S. (1997). Hispanic and non-hispanic mall shoppers: segmentation by situational variables and purchase behaviors. Journal of Segmentation in Marketing, 1(1), 57-73.

[8] Roslow, S., Li, T., & Nicholls, J. A. F. (2000). Impact of situational variables and demographic attributes in two seasons on purchase behaviour. European Journal of Marketing, 34(9/10), 1167-1180.

[9] Wakefield, K. L., & Inman, J. J. (2003). Situational price sensitivity: the role of consumption occasion, social context and income. Journal of Retailing, 79(4), 199-212.