

A study on influencing factors of millennial consumers purchase decision during covid 19, empirical evidence from Reliance Fresh Retail Store in Kochi

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Abstract: - In the time of crisis, awareness needs to be addressed on food and essential commodity supplies as the covid 19 spreading out throughout the world. Many studies including influencing factors of purchasing food items has done but during pandemic time has not been much discussed. This study explores the factors that influence the purchase decisions of millennial consumers of Reliance Fresh Retail Store in Kochi during crisis time. Data was collected through a structured questionnaire from selected consumers of Reliance Fresh Kochi retail outlet. The analysis of the data was done using a qualitative approach. The findings indicate that millennial consumers are loyal towards buying Reliance Fresh products during the pandemic and found that promotional activities involve most influencing factors followed by value, trust, and lifestyle.

Keywords: Reliance Fresh, millennial consumers, sales promotion, trust, lifestyle, value.

INTRODUCTION

During covid 19, consumers may prefer locally sourced foods. Fast-moving consumer goods sector considered necessary to regulate demand-side shocks with panic buying and changes in food purchasing patterns as well as plan for any supply-side disturbance due to likely labor shortage and disturbance to transportation and supply association during covid 19. According to Kashyap, Pradeep, Raut & Siddharth (2006), the most attractive market is fast-moving consumer goods segment in India. Hobbs (2019) revealed that consumers are naturally assorted in their preferences and food purchase behaviors. Reliance Fresh is one among the fast-moving consumer goods sector which shows robust growth in the recent past. The present study analyzes the consumer purchase decision during covid-19.

Literature Review:

Various factors influence the purchase decisions of fast-moving consumer goods (Blackwell and Talarzy, 1977). Some literature cites that promotions (Bhatt & Jaiswal 1986), brand name (Narang, 2001; Bishnoi & Bharti 2007; Sahoo & Panda 1995), quality (Rashmi & Venu Gopal 2000; Kumar &

Madhavi 2006), price (Sarangapani & Mamatha 2008), packaging (Pandey 2005; Venkatesh 2004) influence purchase decisions. Zhao and Panda (1995) stated that consumers paid more attention to the informational content of the advertisement. Paromita Goswami, Mridula S. Mishra (2009) revealed that location, helpful, trustworthy salespeople, home shopping, cleanliness, offers, quality are positively related to customer patronage to grocery stores. Singh and Powell (2002) revealed that quality is the most important factor while purchasing grocery items. Seiders et al. (2000) stated that price and assortments are the reason for the purchase of food item choice. Taylor (2003) also suggested that price competitiveness is strongly influenced by grocery industries as a whole. Know and Walker (2003) established a significant relationship between participation and brand value in grocery markets. Variawa (2011) revealed that consumers with low income will prefer premium packaging as it can be reused once the product is consumed.

Objectives of the Study:

1. To identify and analyze factors influencing the purchase of Reliance fresh millennial consumers in Kochi during Covid-19.

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2. To analyze any relationship with gender and factors influencing the purchase decision of Reliance fresh millennial consumers concerning gender during Covid 19.
3. To formulate a predictive model for influential factors of purchase decisions.

Research Methodology:

Primary data were collected using the Non-Random sampling technique applied for sample selection. 204 regular millennial customers of Reliance fresh retail store, Kochi were selected through convenience sampling method and structured questionnaires with five-point scales were framed by taking variables from literature. Responses were collected

through Google forms and SPSS 20.0 software used for data analysis.

Hypothesis formulation:

H₀₁: Identified factors do not influence purchase decision of millennial consumers of Reliance

Fresh retail store - Kochi during covid 19.

H₀₂: There is no significant relationship between gender and influencing factors.

Results and Discussion: Four groups of fourteen variables identified as the influencing factors from literature which is shown below.

Table 1 – Identified variables

Group	Variables
Promotion	Advertisement from Reliance Fresh
Lifestyle	Attractive packaging
Trust	Availability of essential goods during covid-19
Value	Brand value of Reliance Fresh
Promotion	Cashless payment option during Covid 19
Promotion	Discount from Reliance Fresh
Trust	Freshness of the product
Lifestyle	Home delivery options during Covid-19
Trust	Maintaining Hygiene during Covid 19
Promotion	Offers from Reliance Fresh
Value	Attractive Price
Lifestyle	Providing parking facilities
Value	Quality of the product
Value	Service from sales force

Source: Review of literature

Table 2 – Descriptive statistics:

Group	Variable	N	Mean	SD
Promotion	advertisement	204	3.74	1.14
	offers	204		
	discount	204		
	cashless_payment	204		
Value	brand	204	3.67	1.01
	quality	204		
	pricing	204		

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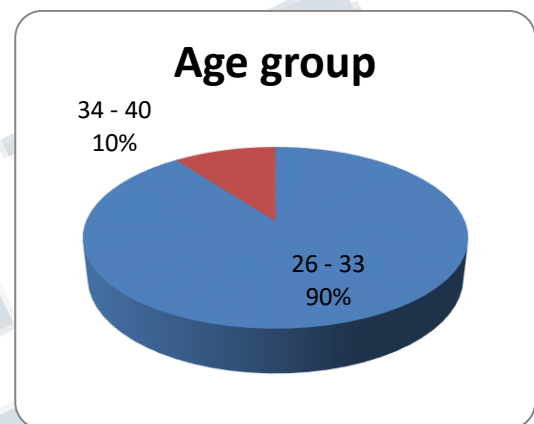
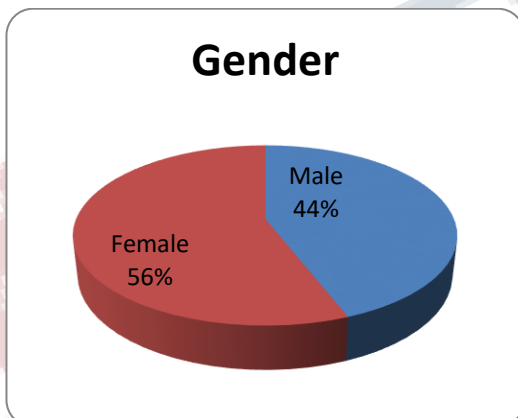
	sales_service	204		
Trust	prod_availability	204	3.81	1.00
	freshness	204		
	hygiene_maintenance	204		
Lifestyle	packaging	204	3.71	1.19
	parking	204		
	home_delivery	204		
	Valid N (listwise)	204		

Source: Primary data collected through survey and SPSS output

Discussion:

From Table 2, the Mean response from each group is greater than 3.7 which are above 3.5 with standard deviation below 1.19 which can interpret as the majority of the respondents agree that these variables are influencing their purchase decisions.

Demographics:



Source: SPSS output

From the above charts, there are 56% of respondents and 44% male respondents and 90% of the age group belongs to 26 – 33 years and 10% belong to age 34 – 40.

Table 3 – Factor Analysis

Variables	Factor	Factor Loading	Reliability Test (Cronbach's alpha)
Offers from RF	1. Promotion	0.879	0.772
Discount from RF		0.822	
Cashless payment options during Covid 19		0.753	
Advertisement from RF		0.701	
Brand value of RF	2. Value	0.818	
Quality of RF product		0.708	
Price of RF product		0.712	
Service from sales force at RF		0.706	
Availability of essential goods	3. Trust	0.864	

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Freshness of the product		0.809	
Maintaining Hygiene during Covid 19		0.703	
Parking facilities	4. Lifestyle	0.813	
Product packaging at RF		0.796	
Home delivery options during Covid 19		0.710	

*RF – Reliance Fresh

Source: SPSS output

Discussion:

Reliability Test: In the current research, the Cronbach's Alpha for all variables (14 items) is 0.772 which indicates the significance of the model. KMO value 0.767 indicates sampling adequacy is good. Factor analysis test was applied and identified four factors explaining a total variance of 70.10%. Table 3 shows the factor loading output from factor analysis. All 14 variables are grouped into 4 components namely promotion, value, trust, and lifestyle.

Factor 1 (Promotion Factor): offers with 0.879-factor loading followed by discounts - 0.822, cashless payment - 0.753, and advertisement - 0.701. Therefore, promotional activities including offers, discounts, cashless payment, and advertisement influence consumers and these variables serve as promotional strategies in Reliance Fresh retail stores at Kochi during covid 19.

Factor 2 (Value Factor): brand value with 0.818-factor loading followed by product quality 0.708 - product pricing - 0.712 and sales service - 0.706. It is found that Reliance Fresh consumers look for value while purchasing is

empirically proven in the current research during covid 19.

Factor 3 (Trust Factor): availability of essential goods with 0.864-factor loading followed by freshness - 0.809 and maintaining hygiene during covid-19 - 0.703. This shows that the consumers trust Reliance fresh as they are satisfied with the availability of goods, the freshness of the product, and providing hygiene in their Kochi during covid-19.

Factor 4 (Lifestyle Factor): parking facilities with 0.813 - factor loading, packaging - 0.796, and home delivery - 0.710. This shows that Reliance consumers giving preference to their lifestyle like providing parking facilities, good packaging, and home delivery options are influencing their purchase decisions which are empirically proven in the current research during covid 19.

From the results above the researcher reject the null hypothesis H_{01} and accepted that the identified 14 variables are influencing the purchase decision of Reliance Fresh millennial consumers during covid 19. Hence the researcher met the first objective of this study.

Table 5: Chi Square test result

(Gender and offers)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.390 ^a	4	.846
Likelihood Ratio	1.306	4	.860
Linear-by-Linear Association	.344	1	.558
N of Valid Cases	204		

Source: SPSS output

(Gender and discounts)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.748 ^a	4	.601
Likelihood Ratio	2.842	4	.585
Linear-by-Linear Association	.065	1	.799
N of Valid Cases	204		

Source: SPSS output

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Discussion:

This study tested significant relation between gender and two important influencing factors of purchase namely offers and discounts during covid 19 and found that accept null hypothesis H₀₂ as significant value greater than 0.005, there

is no significant relationship between gender and consumer's preference of offers as well as gender and discount while purchasing during covid 19 at 95% confidence interval as the p-value > 0.05 (table 5). Hence the researcher met the second objective of the study.

Table 4 – Regression Model test Result:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.	Unstandardized B	Sig.	
Promotion	0.953	0.908	0.906	0.3068	489.301	.000 ^b	(Constant)	-3.661	0.000
							advertisement	-0.138	0.000
							offers	0.289	0.000
							discount	0.458	0.000
							cashless_payment	0.330	0.000
dependent variable: Promotion factor from factor analysis									
predictors – advertisement, offers, discount, cashless payment									
Value	0.932	0.869	0.867	0.3649	331.36	.000 ^b	(Constant)	-4.315	0.000
							brand	0.410	0.000
							quality	0.362	0.016
Dependent variable: Value factor from factor analysis									
predictors: brand value, quality of the product, price, sales services									
							pricing	0.325	0.000
							sales_service	0.083	0.000
Trust	0.824	0.679	0.674	0.5711	140.769	.000 ^b	(Constant)	-3.500	0.000
							prod_availability	0.591	0.000
Dependent variable: Trust factor from factor analysis									
predictors: availability of the product, maintaining hygiene, freshness of the product									
							hygiene_maintenance	0.303	0.000
							freshness	0.019	0.000
Lifestyle	0.89	0.792	0.788	0.4599	253.256	.000 ^b	(Constant)	-3.540	0.000
							packaging	0.021	0.000
Dependent variable: Lifestyle factor from factor analysis									
							parking	0.349	0.000

			0
predictors: packaging, parking, home delivery option	home_deli very	0.549	0.00 0

Source: SPSS output

Discussion:

Tested regression model to predict each factor extracted from factor analysis. In the first model tested for promotional factor, 90.6% of the total variations explained in the predictor's variable offers, discount, cashless payment, and advertisement towards dependent variable promotion factor, and all variables are statistically significant at 95% confidence interval. From this result, a predictive model is formulated as below which met the 3rd objective of this study.

$$\text{Sales Promotion (Y)} = -3.661 - 0.138x_1 + 0.289x_2 + 0.458x_3 + 0.330x_4$$

x1 – advertisement, x2 – offers, x3 – discount, x4 – cashless payment option

In the second model tested for value factor, 86.7% of the total variations explained in the predictor's variable brand, pricing, quality, and service towards dependent variable value factor and all variables are statistically significant at 95% confidence interval.

In the third model tested for trust factor, 67.4% of the total variations explained in the predictor's variable product availability, maintaining hygiene and freshness towards dependent variable trust factor and all variables are statistically significant at 95% confidence interval.

The fourth model tested for lifestyle factor, 78.8% of the total variations explained in the predictor's variable home delivery, packaging and parking facilities towards dependent variable lifestyle factor and it is statistically significant at 95% confidence interval.

Conclusion:

Millennial consumers at Reliance Fresh retail store, Kochi is loyal towards purchase decision. There is not much difference in the buying pattern of Reliance fresh as millennial consumers are continuously purchasing their product even during covid-19. Most influential factors during covid 19 are promotional factors and it is recommended to continue their effort in concentrating promotional factors to grow their market share. As far as value factor is concerned, Reliance fresh brand, quality, price, and sales service consumers are giving priority. They trust Reliance fresh due to availability, freshness, and

maintaining hygiene during covid-19. Also consumer's lifestyle matters like parking facilities, packaging, and home delivery options during covid 19. There is no difference between gender and influential factors in their purchase decision. This study helps researchers to find factors influence purchase decisions of all age groups during covid 19 in other organizations of same industries.

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