

Understanding Consumer Buying Behavior : A Study with respect to Baby Care Industry

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ABSTRACT

Retail industry is undergoing a drift from traditional retailing to omni-channel or multichannel retailing. Perceiving and understanding all things, customers are using their own data and experience to guide their own future experiences. The deployment of technology in retail has further narrowed the traditional online and physical dichotomy. The focus is diverting from use of channels to the interaction between customer and brand. Though very challenging, yet it is important to have an understanding of buying behaviour of consumers so as to know what they do (or don't do) and the reasons behind. Since, every human being is different from another it is not possible to relate basic rules of consumer buying behaviour with buying decisions of all buyers.

Keywords: Consumer Buying Behavior, Retailing, Technology, Online Shopping, Baby Care Products.

I. INTRODUCTION

With the technological progression, more and more consumers are getting tech-savvy and are trying to introduce their technological experience in most of their daily operations.

Technology is providing good opportunities to both seller and to the consumer to reach each other in more faster, convenient and economic way.

Consumer Buying Behaviour

It is important for all business organizations to understand buying behaviour of consumers. Marketing professionals are adopting different methods nowadays to analyze buying behaviour patterns and purchase decisions to foresee future trends of this industry.

A consumer buys a particular product according to his need, taste and affordability. But a lot of other factors also have an influence on the decision making of a buyer.

A consumer buying behaviour has evolved as a part of Consumer behaviour (an area of study), which explains what consumer purchases? why he purchases?, how a consumer behaves during a purchase?, what influences him and how he goes through the various stages of buying process before purchasing a product or service for his or her end consumption or use.

Baby Care Market

According to the researcher of the study, Baby care refers to the products which are necessary for the hygiene and taking baby's personal care.

For the past few years, mothers have become more and more career oriented and leading a very busy lifestyle. They don't seem to compromise on any of their role. Therefore, in desire to create a balance or to be a perfect mother, they are constantly looking for options which could relieve them and at the same time prove to be better sources for their kids.

Baby products market is on a tremendous growth stage nowadays. Products available are hitting the necessary needs as well as generating market driven needs among new parents by not only easing their role as new parents but also fulfilling basic necessities of new one in best possible ways.

Global Baby Care Products Market

The overall baby care market comprises of baby personal care products like hair care, skin care products, toiletries and baby convenience and safety products. Out of all these, baby skin care and toiletries contribute maximum in elevating the market share and contributing revenue to the overall global baby care products market and are expected to expand further.

The prime factors fuelling the growth of this segment include increase in the disposable income of people, increase in birth rate particularly in developing countries, rise in personal care and health care expenditure, increase in female workforce, more awareness among consumers about sanitation and hygiene, improvement in lifestyle and consumption patterns and many other factors related to urbanization.

Some of the major players of the global baby care industry include Procter and Gamble, Kimberly Clark corp., Avon, Avent, Johnson and Johnson, Aveeno, L'Oreal Paris, Pigeon, Nivea, Natura, Oral B Laboratories Ltd., Uniliver and others.

Europe, Middle East and Africa (EMEA) proves to be the major and largest markets of global baby care industry and are expected to remain as leaders during the fore coming years. Asia pacific comes on a second position as a largest market for these products.

Baby Care Market in India

The estimated market size of baby products was around INR 15-25 billion in year 2012 and online market for the products was around INR 1.0-1.2 billion out of this. According to experts, it is expected to boom and rise at the rate of 13.66% CAGR (Computed Annual Growth Rate) in the years ahead. Whereas, the estimated growth in the number of babies of age group 0-5 is up to 135 million by 2020.

Despite of uneven and unorganized nature of some of the baby care segments, like apparel, toys and accessories, ethical nature is still prevailing in segments like skin care, Hair care and food powered by few organized players.

Additionally, market is prevailing with huge demand and supply gap, creating scope for the players to serve the segment better. The industry is also coming across problems like scarcity of raw material and risk from cheaper substitutes.

II. LITERATURE REVIEW

Literature Review: Purchase behavior of consumers

Kanchan, Kumar, & Gupta (2015) analyzed that consumers are turning up more opportunistic these days. They bend to accept changes and look for new and better benefits they can obtain from online retailers. There is huge growth in online sales, but to grab full potential of online medium, businesses need a better understanding of their potential consumers, their demands, reasons to buy online and the strategies to convert physical buyer into online buyer Singh, Katiyar & Verma (2014) discussed about the ability of the retail environment to convert consumers into buyers. Their research studied the impact of store atmospherics and store layout on consumers buying behavior.

Deliya & Parmar (2012) concluded that consumer buying behaviour is highly affected by the packaging

of the product and its various elements like packaging colour, image, packaging material, type and design of wrapper, font style, creative and many others. According to the study of Sinha, Gokhle, & Thomas(2012), the different retail formats including online retailing has affected the consumer buying behaviour. The diverse nature of India, as a country is proving to be opportunistic to these retailers.

Consumer before doing any purchase undergo an extensive research process of gathering information from numerous sources like family, friends and other channels of communication. Retail is a growing sector in India and number of factors like price, product features, brand, promotion, distribution channels, sales promotion techniques and other forms of communication be a part of evaluation criteria. The focus of the study by researchers Gupta & Mittal(2011) was more on consumer perception towards different retail formats particularly in Haryana and NCR.

According to Melao (2008), electronic business in 1990s emerged as a core factor to revolutionize the mode of interaction between customers, suppliers, retailers, employees and other people of the organization.

Abel (2003) discussed in his paper through his research studies that there is a strong association of systematic framework or mechanism of online services with human behaviour. Therefore, innovation of e-commerce has greatly affected the buying behaviour of consumers along with bringing change in market place.

Literature Review: Online shopping

Retailers Association of India- A.T. Kearney's report on 'Retail in the Era of connected consumers' (2016) is focused on the perspectives of Indian retailers and businesses who want to move along with today's tech-savvy consumers and understand their needs and create winning strategies. The advanced connected

retail and the intense shift in consumer's interface with retailers and businesses during their purchase decision is the result of digital transformation. The study also discussed the steps to win in connected retail, along with key capabilities.

Another report of Gupta(2015) proclaims that females are more active in online shopping as compared to males. Also youth generation between the age of 18 and 35, purchase more from online sites, due to the evolution of technology in this group.

Pant(2014) through his research article talked about the growing online businesses and the corresponding change in buying behaviour of consumers; his report says that nearly 70 % of the buyers know about their purchase decision and make up their mind before buying online through online research and 40 % in total admits that they prefer to search on online medium as it assists in making correct purchase decisions. Therefore, businesses need to use significant time and money, develop, design and maintain their webstore.

Kaur(2013) examined and evaluated factors related to online shopping and online consumer behaviour and also put forward their influence in online buying behaviour of consumers.

Nielson Global shopping report (2012) ranked the factors like price (majorly affecting factor), followed by health factors, transportation, packaging, nutrition and store services, which could impact majorly the Grocery purchase choice. It also discussed some of the inferences for marketers.

Jhamb & Kiran(2011) strategically analyzed the Indian retail industry by identifying the factors which affect the growth of Indian retail market and conducting SWOT analysis. The result portrayed that infrastructure, economic growth and transforming demographics of consumers are major factors leading

to organized retail in India. Whereas, location of store, management style and employees' emoluments further boost up the retail business.

Literature Review: Baby Care market

Research report of Euromonitor titled, 'Baby and child specific products in India (May 2016)' highlights that leading players of the market like 'Johnson and Johnson' and 'Dabur India' are generating sales drive by educating consumers and creating awareness about these products. The rise in growth is due to the growing affluent consumers in urban zones as well as those penetrating the market. It has also listed number of factors leading to the growth in demand, of baby products in India.

Kindarle (2015) in his market research report provides a comprehensive analysis of Indian baby care market. It gives a highlight of the major market players and drivers of this industry along with in-depth details of the products offered.

According to Nielson's global baby care report, 'OH, BABY! Trends in the Global Baby Food and Diaper Markets' (2015), covering 60 countries across Europe, Latin America, Asia Pacific, Middle East, Africa, North America, the growth in diaper market is commendable in developing markets. Even the penetration rate is also rising in developing markets. Asia pacific leads the online purchasing queue in category of baby care products including toys, clothes, diapers, food, bottles, baby skin care, strollers, baby car seat and baby rockers or bouncers. Further, Infrastructural development, increase in tech-savvy consumers and high internet penetration has fueled e-commerce in Asia, followed by economically viable delivery modes.

Gyan Research Analytics in their report, 'Indian Baby Care Industry- Baby steps to growth' (2014) says Indian baby care market is rising the ladder to become one of the fastest growing baby care market of the world. Players of the market are attempting

innovation and development of the product at affordable price without compromising on quality and health standards of the product.

Ken Research on 'Baby Care Market' (2014) through their report concluded that since 2008 till 2012 online baby care market in India showed a huge growth. The Indian market is expected to touch new horizons due to the growing population and increase in expenditure on baby care products by parents. The toiletries segment is contributed maximum in online market, followed by baby apparels in year 2012.

Researcher Mikkelson (2012) in his report stated that the purpose of the study is to look for reasons and factors influencing pregnant and new mothers to purchase various baby products available in the market. It also focused on society's view on the portrayal of ideal parents and a mother's feeling getting affected by to buy available baby products.

Baby care products market size, share, development, growth and demand forecast to 2020', revealed that global baby care market is highly segmented due to various product lines and variations under them. New entrants are finding difficulty in entry and existing are finding challenging to work due to stringent manufacturing related regulations, high cost of product development, research and development and clinical trials.

Silver (2007) talked in his article 'Practice prevention baby care products- learning and developmental disabilities initiatives', talks about the products of concern, ingredients of concern, used in baby care products along with their health effects and possible alternatives.

Through research perception of consumers and buying behavior of retail in contrast to branded baby care toiletry products was investigated. It revealed that respondents associate higher quality and low risk perception towards manufacturer – branded baby care

products in comparison to retail- brand baby care products.

III. PROBLEM DEFINITION

The industry of baby care products is highly fragmented with wide width and huge depth of product lines including skin care, health care, bath care, toiletries, feeding and nursing, baby beauty and accessories, baby gear etc. The study intends to understand the buying behavior of consumers with online shopping particularly in baby care industry.

The present study to be conducted with following objectives in mind:

- a. To examine the consumer preference and awareness towards baby care products.
- b. To understand the key factors that influence buying preferences of consumers

IV. RESEARCH METHODOLOGY

Research methodology helps us to understand and solve the problem systematically. Through research design, a researcher can plan a detailed framework of his research and its proceedings. Majorly secondary data has been used to validate and verify the objectives of the study. Secondary data from various published materials like Journals, newspapers, internet, company's research reports, books, magazines, publications and libraries, will be collected. In case of primary data, few of the respondents were contacted to enquire about certain parameters of the study. Both genders (Male or Female) of different age group, income level, who have made purchase or have been the buying decision maker of baby care products for past five years. Convenience and judgement sampling methods have been used for selecting sample from cities and towns coming under Delhi and National Capital Region and representing the required population type.

V. RESULTS AND DISCUSSIONS

Challenges for the baby care market players :

- a. Strict regulations on companies to incorporate and use environment friendly materials in manufacturing baby products, particularly baby diapers.
- b. Providing good quality, non-toxic and skin friendly products to the consumers.
- c. Ensuring the easy availability of products at affordable price.
- d. High product manufacturing, development and innovation cost leading to high pricing of the products.
- e. Huge expenditure on mandatory clinical trials and procedures to make sure that the products are fit for humans.
- f. New entrants are finding it difficult to penetrate the market and are facing high entry barriers and challenges particularly in baby skin care products in comparison to baby toiletries.
- g. Huge investments required for Research and Development.

Many people are opting for online shopping nowadays. In fact, the industry is exploding with years, due to the potential benefits it is proving to the consumers. But at the same time, buying products from traditional brick and mortar stores is still continuing. Some people are sticking to this traditional mode of shopping and they have their own reasons connected to it. Traditional shopping enables consumers to examine and feel the product before they exchange the ownership of products and money. There are people in fact who go for both online and offline shopping experiences.

The rise in economic development, change in the lifestyle of consumers due to increase in disposable income, huge underpenetrated market and many other factors provide ample scope for further expansion of this baby care products industry at global level.

With the increase in the disposable income of average consumer base, adoption of organic products, increased awareness of new and advance products, growing birth rate, increase in tech-savvy consumers, modern retail concepts, increase in rate of working women, Indian baby care market is getting powered up.

Suggestions

Firstly, quality and price are still taken as the most sensitive issues and are major decision influencers to consumers. So the manufacturers need to focus their endeavours to justify these parameters. Secondly, product manufacturers need to put in their time and effort in product development matters also.

VI. CONCLUSION

In today's scenerio, market has become more consumer oriented and all business endeavours are focussed majorly on providing satisfaction to the consumers. Manufacturers are producing different kinds of products catering to different demands of the consumers. But selling the product in the market is not easy as it seems, especially without the knowledge of the market and target audience. Proper knowledge about the market place, consumer's attitude and awareness, decision influencers and technology affecting retail and purchase, has become crucial part of this industry.

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