

# Impact of Age on Purchase Decision from Organized & Unorganized Retail Stores – A Research Report in Indian Context

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**Abstract** - This paper is based on the impact of age on buying decision of an individual. In the paper various factors which are associated with and purchase behavior are taken into consideration. The research is based on the buying pattern from retail store in India in the selected cities of Uttarakhand. The sample size was taken as 412. In this papers it has mentioned that how taste and preferences changes with respect to age. This paper also brings how buying behavior is affected with respect to time. This paper also brings relation between age and reason for choosing the retail store. The paper also focus the relation between age and time spent in the retail store and between age and amount of money spent in the retail store. Here in this research four hypothesis are proposed which will be analyzed with respect to age and the probable outcome will give further result for conclusion. Data is tabulated in SPSS 18.0 version and Chi Square test is used to find the association between age and different factors.

**Key Words:** Consumer behavior, purchase decision, organized retail, irrational, impulsive buying.

## 1.0 INTRODUCTION

Consumer behavior is defined as the selection, purchase, consumption and disposition of goods and services. There are different processes which are involved in the consumer behavior. Firstly there is need for the product, and then based on that the individual identifies which could be the best product which could satisfy his need (selection of products out of various alternatives). Selection is based on the most promising product which an individual seems to be under his budget. Selection of

a product is a psychological process which involves a complex matrix upon which a product is fetched and evaluated. The product which tends more towards the marginal value and utility will be chosen.

A purchase decision is the outcome of many factors associated with an individual who includes his association to culture, subculture, social class, membership groups, family, personality, psychology, age, income etc. Consumer behavior is deeply affected by age (Panni 2006). Consumer decision making can be said that making choice between two or more alternatives. The study of consumer decision making is concerned that how consumer makes decision about different alternatives (Peter and Olson, 1999). There are various factors which governs the purchase behavior of an individual out of that age is consider as one of the prominent factor after income and price of the product. A large number of researches have been done on the cognitive process of buying behavior. Consumer decision making is complicated process as there are many factors associated between the purchases including cognitive dissonance. In the psychological aspect a consumer is viewed as impulsive, irrational and passive when making decision (Zaichkowsky, 1991). Some psychologists presume that consumers would use their rational shortcuts to make decisions. Psychological expert have opinion that consumers are not perfect in decision making and their minds are limited to handle and recall the information. Age is considered as one of the important demographic variables which can have a deep influence on purchase pattern on an individual Srinivasan (2014). People of different age groups can show different buying pattern. Even the age plays role in choosing

the particular retail store keeping the other variables constant.

A consumer buying pattern is not same throughout his life, his values, lifestyle, environment, hobbies, activities and consumer habits evolve throughout his life. (Pinki 2014).

## 2.0 REVIEW LITERATURE

Paurav Shukla (2008) in his study expressed the issue of the conspicuous consumption among the middle age. Consumers who were between (40-60 years), focusing on the psychological and brand antecedents, using the context of automobile buying behavior.

(Brown 2006) Psychological factors which include perception, motivation, acquired knowledge and skills, positions, personality, style of life affect purchase decision.

Rani (2014) in her study said that personality is an important factor for purchase behavior. Again it has been observed that personality at different age group varies considerably so it can be addressed that personality is an important determinant of buying decision. She added that a person do not consume same product from the age 20 to 70, in every stage it will be observed that there may be some variation been observed in brand and product choice. She further added that life-cycle and age have potential impact on the consumer buying behavior hence consumer changes the buying pattern of the products and services with the passage of time.

The human behavior is observed to have complex, replete with controversies and contradictions. It is globally accepted that that consumer behavior is the key to marketing success (Hawkins et al., 2003).

Abdul Waheed et.al (2014) in his studies mentioned that there are seven independent variables which governs purchase behavior and that are age, education, income, zodiac sign, credit facility, marital status and price of the product. But they emphasized that income and education are the major determinants for the purchase decision as compared to other factors mentioned before.

Srinivasan (2014) in his research expressed that age has an influence on purchase of luxury products again age plays role in provoking an intention to repurchase the brand. The researcher further elaborated that younger people up to 40 years shows higher inclination towards financial values in

comparison to people of old age. People up to age 50 years show higher inclination towards uniqueness of the product. People up to age 40 years show more inclination towards materialistic value of the product. He further expressed that people up to age group 40 years shows more positive value towards self-identity and finally he mentioned that people of age group between 36 – 40 years shows more prestige value as compared to people of higher age group.

Bellenger & Robertson & Hirshman (1978) in their research expressed that impulsive buying in an individual tends to increase between the ages group 18 to 39, and after that it shows a graph of decline.

Wood (1998) in his study said that there is inverse relationship found between age and impulsive buying. He further added that the relationship is non-monotonic i.e. it is at a higher level between the group 18 to 39 and at a lower level after that.

Andrew Caplin, John Leahv (2004) reflected in their study that age, gender, lifestyle, income etc. significantly influence an individual for their likelihood to purchase over the Internet and that behavior can be used to segment, profile and target markets and to develop public policies to bridge the digital divide.

Syed H. Akhter (2002) in his study revealed brand awareness as one among the fundamental factor for the purchase. Brand awareness will lead to reduce the perceived risk in the consumer and reduce consumer dissonance.

Age reduces the explicit memory of an individual, starting at about 60. At this age it is possible to retrieve consciously facets of information, and their sources (e.g. remembering an ad for a mobile manufacturer which can be recalled when and where it has been seen). Several researches have reflected that free recall declines significantly with age (Zelinsky and Burnight 1997). So due to this reason it will be difficult for an older consumer to accept a new brand as compared to familiar brands. Or there could be memory bias in favor to his brand. He may choose his national brand as compared to foreign brand for which he has been known to for years.

Sonali et.al (2012) concluded that most effective stimuli which trigger impulse buying in an individual were price and discounts offered on product and service. She further concluded that attitude and perception of an individual towards impulse buying is greatly influenced by visual merchandising and sensory cues of „sight“. She added that touch and feel also play important role in determining the

amount of time an individual spends in a store, which further increases time spent and intention to purchase.

4. To understand the association of age with reason for not shopping.

### 3.0 METHODOLOGY

#### 3.1 SAMPLE

In this research the present descriptive cross sectional study is designed to examine the impact of age on buying behavior. The focus is to examine the effect of age on buying behavior of the consumer. Here in the research the explanatory study was framed which is taken into consideration with quantitative research strategy. Here in this primary as well as secondary data is used for analysis.

#### 3.2 SAMPLING

In order to identify the impact of age on buying behaviour of consumers the consumers with age 14 years and above were selected. Secondary data was collected from journals, census report and books and primary data was collected randomly from choosing 500 respondents who were involved in the shopping at the chosen retail store of Haldwani, Dehradun, Roorkee, Rudrapur, Kashipur by administering them with the structured closed ended questionnaire. Out of 500 respondents only 412 respondents participated in the present research giving a response rate of 82.4%. Then the collected data was fetched in SPSS and Chi Square test was implemented for data analysis.

Chi square is derived from following formula:

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

*O = the frequencies observed*  
*E = the frequencies expected*  
 $\Sigma =$  the 'sum of'

#### 3.3 SCOPE OF THE STUDY

The scope of the research is restricted in India and in the selected cities of Uttarakhand which includes Haldwani, Dehradun, Roorkee, Rudrapur and Kashipur

#### 4.0 OBJECTIVE OF THE STUDY:

1. To examine the impact of age on buying decision.
2. To identify impact of age on choosing the retail store.
3. To analyze association of age with respect to time and amount of money spent.

#### 5.0 HYPOTHESIS PROPOSED:

H1: There is association between age and type of retail store.

H2: There is association between age and amount of time spent.

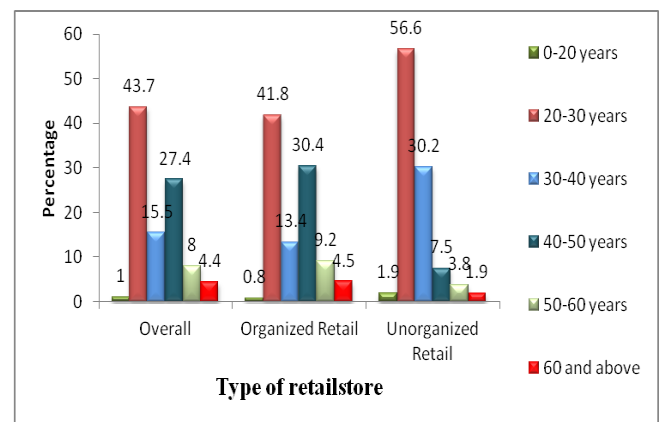
H3: There is association between age and amount of money spent.

H4: There is association between age and reason for not shopping.

**Table 1: Return rate of the questionnaire**

Description	N (%)
Questionnaire handed over in person	500
Completely filled questionnaire and further taken for the analysis	412
Response rate	82.4

**Fig 1: Percentage of Age:**



**Table 2: Association between age VS Type of retail Stores**

Null hypothesis: There is no association between age and type of retail store.

Alternative hypothesis: There is association between age and type of retail store.

		Type of retail		Total
		Organized Retail	Unorganized Retail	
Age	0-20 years	3	1	4
		.8%	1.9%	1.0%
	20-30 years	150	30	180
		41.8%	56.6%	43.7%
	30-40 years	48	16	64
		13.4%	30.2%	15.5%
	40-50 years	109	4	113
		30.4%	7.5%	27.4%
	50-60 years	33	0	33
		9.2%	.0%	8.0%
	60 and above	16	2	18
		4.5%	3.8%	4.4%
<b>Total</b>		359	53	412
		100.0%	100.0%	100.0%

Phi value- 0.246, p-value-0.00 < 0.01;

The table compares the age, gender and reason for not shopping. It is observed that most of them are in the age group 20-30 preferring organized retail store of 41.8%. From the observed Phi-value of 0.246 and p value of 0.00, since p value is less than 0.01 we accept the alternative hypothesis and reject the null hypothesis, so it is declared that there is association between the age and type of retail.

**Table 3: Association between age VS Time spent**

Null hypothesis: There is no association between age and amount of time spent.

Alternative hypothesis: There is association between age and amount of time spent.

Type of retail		Amount of time spent				Total	
		Less than 1 hr	1-3 hours	3-5 hours	> 5 hours		
Organized Retail	Age	0-20 years	2	1	0	0	3
			1.8%	.5%	.0%	.0%	.8%
	20-30 years	53	73	22	2	150	
		46.9%	33.0%	95.7%	100.0%	41.8%	

Unorganized Retail	Age	30-40 years	20	27	1	0	48	
			17.7%	12.2%	4.3%	.0%	13.4%	
		40-50 years	38	71	0	0	109	
			33.6%	32.1%	.0%	.0%	30.4%	
		50-60 years	0	33	0	0	33	
			.0%	14.9%	.0%	.0%	9.2%	
	60 and above	0	16	0	0	16		
		.0%	7.2%	.0%	.0%	4.5%		
	<b>Total</b>		113	221	23	2	359	
			100.0%	100.0%	100.0%	100.0%	100.0%	
	Unorganized Retail	Age	0-20 years	1	0	0		1
				2.6%	.0%	.0%		1.9%
20-30 years		24	4	2		30		
		63.2%	36.4%	50.0%		56.6%		
30-40 years		7	7	2		16		
		18.4%	63.6%	50.0%		30.2%		
40-50 years		4	0	0		4		
		10.5%	.0%	.0%		7.5%		
60 and above		2	0	0		2		
		5.3%	.0%	.0%		3.8%		
<b>Total</b>		38	11	4		53		
		100.0%	100.0%	100.0%		100.0%		

Organized retail: Phi value- 0.430, p-value-0.00 < 0.01;

Unorganized retail: Phi value- 0.439, p-value-0.25 < 0.05;

The table compares the age and the time spent in the retail store. It is observed from the data that most of the respondent lies in the age group 20-30 prefer to time spent in the retail store. From the analysis from the organized retail the derived Phi-value is 0.430 and p value is 0.00, since p value is less than 0.01 therefore the null hypothesis is rejected and alternative hypothesis is accepted so we can say that there is association found between the age group and the time spent on the other hand from unorganized retail the derived Phi-value is 0.439 and p value is 0.25, so here the p is greater than 0.05 therefore the

alternative hypothesis is rejected and null hypothesis is accepted. Hence we can say that there is no association found between the age group and time spent in retail store.

**Table 4: Association between age VS amount of money spent**

Null hypothesis: There is no association between age and amount of money spent.

Alternative hypothesis: There is association between age and amount of money spent.

Type of retail			Amount of money spent					Total	
			< 500	500 - 1000	1000 - 2000	2000- 5000	More than 5000		
Organized Retail	Age	0-20 years	3	0	0	0	0	3	
			4.3%	.0%	.0%	.0%	.0%	.8%	
	20-30 years		44	26	59	20	1	150	
			62.9%	78.8%	25.5%	83.3%	100.0%	41.8%	
	30-40 years		21	6	20	1	0	48	
			30.0%	18.2%	8.7%	4.2%	.0%	13.4%	
	40-50 years		2	1	103	3	0	109	
			2.9%	3.0%	44.6%	12.5%	.0%	30.4%	
	50-60 years		0	0	33	0	0	33	
			.0%	.0%	14.3%	.0%	.0%	9.2%	
	60 and above		0	0	16	0	0	16	
			.0%	.0%	6.9%	.0%	.0%	4.5%	
	Total			70	33	231	24	1	359
				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Unorganized Retail	Age	0-20 years	1	0	0	0	0	1	
			7.1%	.0%	.0%	.0%		1.9%	
	20-30 years		6	6	17	1		30	
			42.9%	60.0%	70.8%	20.0%		56.6%	
	30-40 years		7	0	5	4		16	

		50.0%	.0%	20.8%	80.0%		30.2%
40-50 years		0	2	2	0		4
		.0%	20.0%	8.3%	.0%		7.5%
50-60 years		0	2	0	0		2
		.0%	20.0%	.0%	.0%		3.8%
60 and above		1	0	0	0		1
		7.1%	.0%	.0%	.0%		1.9%
Total		14	10	24	5		53
		100.0%	100.0%	100.0%	100.0%		100.0%

Organized retail: Phi value- 0.641, p-value-0.00 < 0.01;

Unorganized retail: Phi value- 0.715, p-value-0.008 < 0.05;

The above table compares the age and the amount of money spent in the retail store. So from the above table it is observed that the most of the respondent who falls between the age group 20-30 prefer amount of money to spend. From the organized retail we can see that the Phi-value is 0.641 and the p value is 0.00, since p values is less than 0.01, therefore we accept the alternative hypothesis and reject the null hypothesis. In other words from organized retail we can see association between age group and amount of money spent. From the unorganized retail the derived Phi-value is 0.715 and the p value is 0.008, here also the p value is less than 0.05 so we accept the null hypothesis and accept the alternative hypothesis. In other words can say that there is association found between age group and the amount of money spent.

**Table 5: Association between the age VS reason for not shopping**

Null hypothesis: There is no association between the age and reason for not shopping.

Alternative hypothesis: There is association between the age and reason for not shopping.

Type of retail			Reason for not shopping today			Total
			Price Amenities	Could not bargain	Unacquainted to modern	
	Age	0-20 years	2	1	0	3

Organized Retail	20-30 years	1.6%	.6%	.0%	.8%
		17	131	2	150
	30-40 years	13.6%	74.4%	3.4%	41.8%
		3	7	38	48
	40-50 years	2.4%	4.0%	65.5%	13.4%
		70	37	2	109
	50-60 years	56.0%	21.0%	3.4%	30.4%
		33	0	0	33
	60 and above	26.4%	.0%	.0%	9.2%
		0	0	16	16
Total	.0%	.0%	27.6%	4.5%	
	125	176	58	359	
Unorganized Retail	Age 0-20 years	100.0%	100.0%	100.0%	100.0%
		0	1	0	1
	20-30 years	.0%	7.7%	.0%	1.9%
		23	3	4	30
	30-40 years	63.9%	23.1%	100.0%	56.6%
		9	7	0	16
	40-50 years	25.0%	53.8%	.0%	30.2%
		2	2	0	4
	60 and above	5.6%	15.4%	.0%	7.5%
		2	0	0	2
Total	5.6%	.0%	.0%	3.8%	
	36	13	4	53	
		100.0%	100.0%	100.0%	100.0%

Organized retail: Phi value- 1.084, p-value-0.00 < 0.01;

Unorganized retail: Phi value- 0.510, p-value-0.088 > 0.05;

The above table compares the age and the reason for not shopping. So from the above data it is clear that that most of the respondents are in the age group from 20-30 prefer reason for not shopping. From the organized retail the derived Phi-value is 1.084 and the p value is 0.00, since it is less than 0.01 we accept the alternative hypothesis and reject the null

hypothesis, so it can be said that there is association found between the age group and the reason for not shopping on the other hand the unorganized retail shows the Phi-value 0.510 and the p value 0.088, here the p value is greater than 0.05, so we accept the null hypothesis and reject the alternative hypothesis. So we can say that there is no association found between the age group and the reason for not shopping.

#### CONCLUSION:

From the research we can draw the following conclusion that gender has a deeper impact on the buying pattern of an individual. Consumer makes a purchase after analyzing various factors. From various researches at can also be calculated that different age group possess different analyzing power. Individual less than 40 years of age are considered as best consumer as they collect information from various source make an analysis by putting it into different matrix, retain the analyzed data and then make further decision. Individual age group with lesser age explores various products and attributes associated with it. Personality is another factor which has an impact on the buying pattern of an individual. It has also been observed that in the previous studies that personality changes with age which results change in the consumption pattern of an individual so a person will not consume the same product from the age 20 to 70 years as his personality lifestyle and choice will change. Study also reflected that income and price are other important determinant of buying behavior so it could be further elaborated that income of an individual and price of product increases and decreases with time and hence do have a positive and negative impact on the buying behavior of an individual. This paper also brings an opinion that impulsive buying increases between the age group 18 to 30 and after that it shows a result of decline. Further study reveals that exposure; lifestyle and education influence the purchase decision of an individual. Individual between the age group 18-39 years are more exposed technology oriented and hence are being influenced greatly by online purchase of products from the retail. Awareness about the brand is another factor which influences the decision making of an individual and this awareness is found more between the age group 18-39 years so the group between this age are more brand specific. It has also been accounted that purchase of newer brand is resented by an individual as the explicit memory falls above the age of 60 years. The analysis based on primary data reveals that age has a significant association in between choosing the type of retail store. Further it has been concluded that for organized retail there is association found between

age group and time spent whereas for unorganized retail there is no association been found between age group and the time spent. The study also depicts that for organized & unorganized retail there is association found between age and amount of money spent in the retail store. Finally it can be concluded that for organized retail there is association been found between age and reason for not shopping whereas for unorganized retail there is no association found between reasons for not shopping.

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