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DRIFTING THROUGH DIVERSITY: A STUDY OF BUYING BEHAVIOR OF INDIAN CONSUMERS IN RETAIL STORES

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Walmart is the largest retail chain in United States having over 3000 stores in the country. From 1991, they opened stores in neighboring countries like Canada, and their US-model was successful there, whereas the same model was a failure in distant countries like Germany and South Korea. The major reason for failure of Walmart's US model in these distant countries is because of differences in buying behavior of consumers in US and the consumers of these countries. Since the Indian government has allowed 51% FDI in multi-brand retail sector, Walmart has entered into the lucrative Indian market. Through the study of this paper, the differences between Walmart's models in select countries were compared. The buying behavior of Indian consumers was assessed by conducting a survey in two cities of India. Through the results of the survey, this paper suggests the reader regarding the expectations of an average Indian consumer.

Keywords: Walmart, FDI in India, Walmart models, Consumer buying behavior, Shopping preferences, Indian consumer behavior

INTRODUCTION

Walmart was founded in Rogers (1962), Arkansas following Sam Walton's unshakable strategy: "Every Day Low Prices". In 1980, Walmart reached \$1 bn in annual sales faster than any other company at that time. Its net sales in fiscal year 2012 exceeded \$400 bn. It operates under 69 banners in 27 different countries, employing more than 2.2 million associates worldwide and serves more than 200 million customers each week at more than 10,000 stores.

Walmart is the largest retail chain in United States. It centered on small towns first and then moved to larger cities. Walmart emphasizes on how it listens to the need of the workforce, so that each employee is able to suggest changes to company policy. The store employees are called associates. In US, Walmart is a strictly anti-union employer and pays many of its employees the local minimum wages (Hayden *et al.*, 2003). Walmart provides satisfactory customer service as well discounts on branded products. Walmart believes in exceeding customer expectations by

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employing door greeters and training its employees to smile at customers. By using advanced technology and highly competitive prices, Walmart has positioned itself as the leading retailer in US. In the international scenario however, Walmart has been only partly successful in countries like UK, Mexico and Canada while it's 'US model' was a failure in Germany and South Korea. Walmart subsequently exited from both Germany and South Korea. The failure of US model in these countries has raised questions about strategies these global companies employ while entering a new international market.

In India, Walmart has a joint venture with Bharti Enterprises for cash-and-carry (wholesale) business, which runs the 'Best Price' stores. They also provide back-end support to Bharti's retail chain Easy Day. With the Indian government allowing 51% FDI in multi-brand retail, Walmart would now consider investing in front-end retail. Walmart is known for its hypermarkets spread over 100,000 to 200,000 sq.ft., Easy Day stores are more like supermarkets with 20,000 to 25,000 sq.ft. area (Mookerji, 2012). Through the discussions in this paper, we aim to bring out the reasons for Walmart's failure in Germany and South Korea and highlight the importance of implementing strategies suitable to the local culture. As a country, India is more diverse than the ones previously entered by Walmart. This will entail greater challenges, which will require an in-depth study of the prevailing trends, consumer behavior and local market to implement any new strategies.

TIMELINE

The 1970s was a decade of incredible growth for Walmart. In 1970 it became a publicly traded

company. In 1971, it opened its first distribution centre in Bentonville, Arkansas. In 1972, it was listed on New York Stock Exchange as WMT.

In 1980's the first Sam's Club and the first Walmart Super center opened. Seven years later, in 1987 the company installed the largest private satellite communication system in the US, linking the company's operations through voice, data and video communication.

By 1990 Walmart became America's top retailer and it focussed on establishing stores overseas. It opened its first store outside United States in 1992, in Mexico by entering into a joint venture with Cifra. In 1994, it acquired 122 Woolco stores from Woolworth in Canada and in 1996 it opened its first stores in China.

In 1999, Walmart entered UK by acquisition of ASDA and Japan in 2002 through an investment in Seiyu. In 2005, Walmart played a major role in hurricane Katrina disaster relief.

In 2007, Walmart announced an agreement with Bharti Enterprise, for an establishment of a joint venture for wholesale cash-and-carry and back-end supply chain management operations in India. (Walmart's Corporate Website).

LITERATURE REVIEW

Walmart in Germany

Walmart entered Germany by acquisition of 21 stores of German retail chain Wertkauf in 1997 and 74 stores of Interspar chain in 1998.

Retail Sector in Germany

The German retail market is dominated by a few major players like Aldi Group, Metro, Rewe Group, and AVA group. Profit margins for German retailers are low as compared to retailers in other European countries.

In 1977, Germany had enacted strict planning and zoning regulations, which prohibited the construction of stores with sales area greater than 800 sq.m in locations not designated for retailing. This resulted in large scale stores being restricted to towns/city centres (Jui, 2011).

Store opening and closing hours were regulated. Stores located on premises of airports, railway stations, gas stations, etc., had generous shopping hours. Stores could not open at all on Sundays, exceptions being granted only if they provided services like pharmaceutical drugs. German retail sector relies on skilled and semi-skilled labor, a lot of which is unionized.

Reasons For Walmart's Failure in Germany

Flawed Acquisition Strategy

Walmart acquired 74 stores of Interspar chain. Spar was considered to be the weakest player in German market, with its mostly run-down stores which were geographically dispersed and at poor locations (Landler, 2006).

Government Laws and Restrictions

Walmart stores in US are designed for customers who are willing to spend substantial time shopping. Germany's shopping hour regulations prevented Walmart from offering services and shopping comfort associated with 24/7 operations. These reduced working hours resulted in high wages per worker in the retail sector.

Additionally, Germany's fair trading laws prohibit selling of certain goods below cost price, unless there is an objective justification to this.

Clash of Cultures

Walmart appointed four CEOs during its first four years of operation. The first was Rob Tiarks, a

US citizen who neither spoke German nor understood their culture. English was soon decreed as official language at the management level. Tiarks was quite ignorant about the legal and institutional framework and ignored any strategic advice presented to him by the former Wertkauf executives. Tiarks was soon replaced by Allan Leighton, an Englishman. Leighton preferred to head the company from Leeds, UK. Six months later he too was replaced by Volker Barth, a German. Barth failed to integrate Spar into Wertkauf and blend their vastly different corporate cultures into Walmart. Barth was later replaced by Kay Hafner (Arndt and Knorr, 2003).

Ignorance Of Local Buying Behavior

Walmart ignored local buying behavior and imposed American habits which did not work well.

According to the 'ten foot rule', the store employees must greet, smile and attend to a customer in a store within 10 feet distance from them (Hayden *et al.*, 2003). Customers not being used to this friendly service were put off and focussed more on the incremental cost due to these additional services. They also offered to bag groceries, whereas Germans liked to bag their own groceries preferably in their own reusable carriers. German customers are accustomed to shopping at self-service without any help from store assistants. The requirement of additional personnel for these services led to an increase in Walmart's labour costs (Arndt and Knorr, 2003). German customers give a huge importance to price and value as compared to service and quality.

Germans like to see the advertised discount products at eye level without having to ask the store assistant. Instead Walmart chose to use

its US style merchandise display strategy, where premium priced products are kept at eye level and discounted products are kept at higher shelf or in the bottom racks. This irritated the German shoppers. Walmart also got its store inventory wrong. They allotted more floor space to clothes, hardware, electronics and other non-food products instead of perishables that are more popular with German customers (www.mbaknol.com).

Walmart in South Korea

Walmart expanded into South Korea in the late 1990s by acquiring four stores and six underdeveloped sites. With three stores near Seoul and one in Taejon, Walmart had combined sales of more than \$160 mn and an employee strength of over 800 (Gandolfi *et al.*, 2008). At that time due to the Asian financial crisis, the South Korean currency had declined sharply (Marshall, 2011) and Walmart believed that it was a favorable time to enter the South Korean market. According to Gandolfi, "Walmart believed that the long-term potential for South Korean operations to contribute to the sales of Walmart's international division was considerable."

Walmart was running a successful business in Florida and believed that they could replicate that in South Korea, as they were geographically comparable. They had 135 Walmart stores and 33 Sam Club stores in Florida at that time (Gandolfi *et al.*, 2008). Walmart attempted to replicate its 'Every Day Low Prices' strategy and subsequently the American model in South Korea without considering the need for reinventing its strategy to suit local consumer preferences. In this section we discuss the consequences of this strategy and how it eventually led to Walmart withdrawing its business from South Korea.

Location Preference

South Koreans are frequent shoppers and do not purchase in bulk. On the other hand Americans travel in vehicles to farther distances and don't mind purchasing in bulk. South Koreans prefer shopping at stores that are easily accessible and are at walking distance. They buy in small quantities for the reason that they have limited storage and freezing capacities. Accordingly they shop daily instead of weekly or biweekly (Kim, 2008).

In addition the local retailers accommodate this by providing discounts on smaller quantity purchases (Coyner, 2007) and free product incentives for shopping for a minimum amount. Kim further views that Walmart entered the South Korean market in 1997 when it was already saturated. Key areas in commercial and residential zones were already occupied by local retailers and Walmart lost out on the high customer traffic at these locations. Major South Korean retailers such as E Mart and LG Mart had occupied strategic locations for their stores and developed their operations prior to Walmart's entry. This made it difficult for Walmart to position themselves in the retail segment (Kim, 2008).

Shopping Environment

Marshall (2011) shared his experience of South Korea and according to him Koreans are one of the most hard working people in the world (in terms of average work hours per year) and when they are not working they expect everything to be luxurious and of the highest quality. They are not interested in lower quality experiences for less money.

'South Koreans are visually-oriented customers, appreciating aesthetically pleasing displays and shopping environment' (Gandolfi and

Strach, 2009).

South Koreans were not interested in buying from a store like Walmart because they had a warehouse-like appearance and poor quality products. Moreover they did not like the massive floor area of the store. Rather they prefer buying in local retail stores because of their luxurious products and surroundings. For instance local retailers like E Mart sold their products with a localised approach and with a local feel to it (Gandolfi and Strach, 2009). Many retailers replicate the features of a traditional outdoor market inside the stores, to illustrate they have live seafood, local delicacies and on-site packaging services to preserve the freshness of food (Kim, 2008). This approach is well-suited to Korean culture and consumer preferences.

Quality, Service and Promotion

Walmart's 'Every Day Low Prices' strategy did not make an impact in South Korea because the Koreans are unwilling to compromise on quality and service for low prices. Koreans are hardworking people who do not expect low quality service for lesser money; they expect high quality products and luxurious environments (Marshall, 2011). Koreans are quality-conscious and brand-loyal, hence are unwilling to buy low quality products at cheap prices.

Local retailers have several salesmen giving out free samples and package and wrap products for the customer (Kim and Jin, 2001). Several local retailers also give free product incentives for a minimum amount of purchase. In addition, they offer discounts on small quantities of purchase (Coyner, 2007). Koreans expect fancy displays and aggressive selling techniques. For example many retailers appoint clerks who attract customers using megaphones and hand

clapping (Gandolfi, 2007). Koreans preferred this over the Walmart's selling techniques.

Failing to adapt to local culture and consumer preferences Walmart faced huge losses and withdrew from the country in 2006. They posted an operating loss of about 9.9 billion Won and revenue of about 728.7 billion Won (Sang-Hun, 2006). This experience has given sufficient evidence that Walmart needs to make an effort to embrace local culture and involve itself with the local community. By serving the needs and preferences of each community, Walmart can hope to position itself better in foreign culture and at the same time retain its core values.

OBJECTIVES OF THE STUDY

1. To study Walmart models in select countries and compare the differences.
2. To study the buying behavior of Indian consumers in retail sector.
3. To find out the reasons for failure of Walmart in Germany and South Korea.
4. To study the differences in buying behavior of consumers in various age groups and income groups.
5. To give suggestions to Walmart and other discount stores about the behavior of Indian consumers in various aspects.

RESEARCH QUESTIONS

Specific research questions employed were (a) Is there a significant relationship between buying behavior and success of Walmart; and (b) is there a significant relationship between Indian buying behavior and success of Walmart in India?

RESEARCH METHODOLOGY

The instrument used to collect the data was a questionnaire and the said study was conducted

during the period of February 2014 – June 2014.

Samples and Data Collection

Population: The population for this study were men and women between the ages of 16 to 60 and annual family income ranging from upto 2 lakh Indian Rupees to over 15 lakh India Rupees, residing in one of two cities of India, Bangalore and Mangalore. Bangalore is cosmopolitan city and home to over eight million people. It is a tier 1 city and is a growing retail hub. Mangalore is a tier 2 city and has a population of around half a million people.

Indian Rupees is the currency of India, and one Lakh is commonly used in Indian numbering system and is equal to one hundred thousand.

The Sample: A sample size of 2000 people from Bangalore and Mangalore were chosen using simple random sampling method from NITSurathkal's database. An online survey was created and the link of the questionnaire was sent via e-mail to 2000 (1000 Bangaloreans and 1000 Mangaloreans) e-mail ids acquired through NIT Surathkal's database.

The email contained details of the study, link of the survey questionnaire and we also requested the recipients to forward the mail to colleagues, friends and family. After four weeks, a total of 235 responses were recorded (118 from Bangalore and 117 from Mangalore). Participation was voluntary and respondents were informed of the confidentiality of the investigation and their rights as human subjects.

Research Instruments

Development of questionnaires: The questionnaires were constructed by conducting an open ended survey where 30 participants (15 from Bangalore and 15 from Mangalore) were interviewed in person and data collected regarding

their shopping habits, preferences of store location, their views on store environment and their expectations from foreign retailers. The data was analyzed by the researchers and questions were developed on the basis of inputs provided by the participants of the open ended survey. Questions were based mainly on variables that affect consumer behavior.

Description of Questionnaire

The first four questions related to demographic data. These included questions on (a) age group; (b) gender; (c) annual income; (d) city. The next twelve questions developed by researchers' elicited information regarding consumer preferences and buying habits. These questions included the following items: (a) distance to be travelled to reach the store; (b) buying in bulk at discount stores; (c) buying perishables like fruits and vegetables; (d) preference of method of advertising about various offers inside the stores, (e) importance of physically examining the products before buying; (f) preference of speciality stores over discount stores for expensive products; (g) importance of company sales representatives at various sections of the store for expensive products; (h) preference of buying products sold under the store's own brand; (i) importance of foreign products at discount stores; (j) importance of services offered like packing of the purchased products and delivery to parking lot; (k) importance of food outlet inside the store; (l) importance of play area for kids.

The consumer behavior was assessed on a 5-point Likert-type scale ranging from 5 (strongly agree) to 1 (strongly disagree).

RESULTS

The researchers divided the questions on the

basis of age and income relevance for better understanding of consumer preferences. Further the researchers have analyzed it on the basis of the respondent's city. Analysis of the responses indicated the following results.

Income Relevant Questions

Buying behavior is hugely dependent on income of the consumer and hence the researchers developed six questions that are income relevant. Tables are shown below and preliminary conclusions for each result are discussed in this section (All figures are in percentage and are rounded off to the nearest decimal, and all income figures are in Indian Rupees).

Respondents from the city of Bangalore

indicate that a majority of them are not willing to travel farther distances to purchase at a discount store. The percentage of respondents who agree to travel considerable distances reduces as their income bracket increases. This indicates that stores must be located at a convenient location to increase customer traffic. Store distance in a Tier 1 city like Bangalore is an important factor that Walmart must consider to attract not just the lower income bracket but also the middle and high income customers. On the other hand a higher percentage of respondents from a tier-2 city like Mangalore agree to travel farther distances to discount stores. This is around 55% of respondents from all income brackets agreeing to travel; thus making it a significant result. This indicates that in smaller cities the hassles of

Table 1: I will Travel 10 km or More to Buy Goods at a Discount Store

Annual Income	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
< 2 lakhs	32	53	15	11	57	32
2-5 lakhs	30	38	32	23	48	29
5-8 lakhs	36	28	36	26	53	21
8-15 lakhs	40	36	24	8	58	34
> 15 lakhs	39	22	39	8	58	34

Table 2: I Would buy Products Sold Under the Store's Own Brand Over Traditional Branded Products

Annual Income	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
< 2 lakhs	32	32	36	29	43	28
2-5 lakhs	23	38	39	25	45	30
5-8 lakhs	32	40	28	37	39	24
8-15 lakhs	44	36	20	25	42	33
> 15 lakhs	43	30	27	25	42	33

travelling is less significant and consumers don't mind travelling 10 km or more to discount stores.

Walmart and several retailers sell products under their own brand and it accounts for a considerable percentage of their sales. Walmart for instance draws around 40% of its sales from its own brands (Kumar Steenkamp, 2007). Less than 40% of respondents from Bangalore agree to buy a store's own brand. So if Walmart has to sell its own brands to a large segment of customers, they must come up with suitable marketing strategies and ensure that customers are loyal to their brands. However a slightly higher percentage of respondents from Mangalore agreed to buy the store's own brand over traditional branded products. This indicates that consumers in a tier-2 city like Mangalore are more

concerned about prices than about a product's brand.

Over 60% of respondents from both Bangalore and Mangalore, from all income groups agree to buy in bulk from discount stores once in two weeks instead of going to kirana stores on a frequent basis. This indicates that consumers aren't worried about storage space but are concerned about time and money spent on purchases. The consumers in the lower income groups buy in bulk to increase their savings. And for consumers in the higher income group, bulk buying is a way of saving their time.

Consumers were asked if they would go to buy at discount stores if foreign products were sold at discounted prices. Majority of respondents

Table 3: I Prefer Buying in Bulk for 2 Weeks from a Discount Store, Than Going to a Kirana Store Every Day

Annual Income	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
below 2 lakhs	22	68	10	11	71	18
2 - 5 lakhs	12	72	16	10	84	6
5 to 8 lakhs	22	66	12	26	63	11
8 - 15 lakhs	16	61	23	8	75	17
above 15 lakhs	9	87	4	8	75	17

Table 4: I Would go to Buy at a Discount Store if Foreign Products are Available at Discounted Prices

Annual Income	Bangalore			Mangalore		
	Disagree	Agree	Not Sure	Disagree	Agree	Not Sure
below 2 lakhs	21	53	26	14	75	11
2 - 5 lakhs	15	69	16	19	65	16
5 to 8 lakhs	8	68	24	11	74	15
8 - 15 lakhs	12	71	17	0	58	42
above 15 lakhs	23	56	21	0	58	42

in both the cities agreed to this, which is an indication that foreign brands are preferred among the customers in India and they are willing to buy them at discounted prices.

For buying expensive products (>Rs. 4000) over 70% of respondents from Bangalore and over 60% of respondents from Mangalore from all income brackets prefer speciality stores over discount stores.

A subsequent question asked consumers if they would buy these expensive products at a discount store if the concerned company’s sales representative was present at that section of the store, and around 60% of respondents from both cities and all income groups agreed to buy under this condition. This implies that consumers require assurance and reliable information from company

sales representatives to purchase expensive products.

Age Relevant Questions

Six questions were developed by researchers to assess consumer expectations and preferences for different age groups. These results indicate the specific needs of different age groups of consumers and that fulfilling these needs is important for attracting consumers to the stores. This section discusses the results and implications of these questions.

Lower percentage of consumers in age group 16-22 prefer buying perishables from the kirana shops, indicating that this age group is quick in shifting their buying habits and moving to buying from discount stores. Over 50% of consumers from Bangalore and Mangalore, between the age

Table 5: I Prefer Speciality Stores Over Discount Stores for Purchases of Expensive Products (>Rs. 4000)

Annual Income	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
below 2 lakhs	21	52	27	21	61	18
2 - 5 lakhs	4	80	16	13	71	16
5 to 8 lakhs	16	72	12	5	74	21
8 - 15 lakhs	4	80	20	0	92	8
above 15 lakhs	0	74	26	0	63	37

Table 6: I Prefer Buying Expensive Products from a Discount Store if the Company Sales Representative were at that Section

Annual Income	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
below 2 lakhs	16	68	16	21	68	11
2 - 5 lakhs	19	72	9	23	62	15
5 to 8 lakhs	20	60	20	11	63	26
8 - 15 lakhs	20	64	16	25	58	17
above 15 lakhs	17	69	14	25	58	17

Table 7: I Prefer Buying Perishables Like Fruits and Vegetables at Nearby Kirana Store Every Day, than Buying it in Bulk for a Week at a Discount Store

Age	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
16-22	61	29	10	53	38	9
23-30	44	56	0	10	62	28
31-45	0	89	11	14	64	22
46-60	8	92	0	12	81	07

23 and 45 agree to buy perishables regularly at nearby kirana stores, instead of buying it once a week at discount stores. This indicates that these consumers are concerned about the freshness of perishables like fruits and vegetables and are willing to compromise on discount. 92% respondents from Bangalore and 81% of respondents from Mangalore in age group of 45-60 preferred buying it from the Kirana stores. This higher percentage in the older age group indicates that these consumers do not trust the big box retailers while buying perishables and they still prefer spending more money every single day to buy them fresh from the local stores. The vegetables from the local shops are perceived as fresh, as compared to the vegetables from the discount stores which the consumers assume is shipped from miles away. However, many respondents said that they would buy

perishables from the big box retailers, if they are obtained fresh and if the retailers can convey the authenticity of the origin such items.

Most consumers prefer physically examining products before purchasing them and this is evident from the results of the survey. Over 90% of respondents of all age groups from Bangalore and over 80% of respondents of all age groups from Mangalore prefer to physically examine the products before buying them. Indian customers like to touch and feel cereals like rice or wheat before buying them. Also they prefer the meat to be cut in front of them, instead of buying it packed. This gives them an assurance of quality before buying, similar to the feeling obtained in the local kirana stores. Products like packaged meat which are sold in the Walmart stores in USA will not be popular in India.

Table 8: I Would Like to Physically Examine and Select the Products Before I Buy it

Age	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
16-22	8	91	1	0	89	11
23-30	0	100	0	4	86	10
31-45	0	100	0	0	86	14
46-60	0	100	0	16	84	0

Table 9: I Prefer a Pamphlet/Handout Stating the "Daily Offers" in the Store, Instead of an Announcement on the Mic.

Age	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
16-22	6	94	0	7	87	6
23-30	12	63	25	5	81	14
31-45	0	100	0	0	86	14
46-60	12	72	16	22	69	9

Over 70% of respondents of all age groups and from both cities preferred a pamphlet/handout stating the daily offers instead of announcements on a microphone. In comparison to South Korea where customers were attracted by megaphones and hand clapping (Gandolfi, 2007), Indians seem to prefer a handout/pamphlet. Further question asked to the respondents was, if they would like to receive emails stating special or festive offers from big box retailers. Many of them said that they would prefer receiving such emails from stores

which they visit on a regular basis. Instead of interrupting every customer, Walmart and other retail stores should email offers to a set of customers who are willing to receive them, as this will ensure that the customers pay more attention to their marketing message.

Majority of respondents in age group 16-45 preferred a café or food outlet in a discount store. Evident from the table, a mall like atmosphere in the stores is essential to attract the younger customers.

Table 10: I Prefer a Cafe/Food Outlet Inside the Discount Store

Age	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
16-22	0	100	0	12	82	6
23-30	0	76	24	5	90	5
31-45	18	74	8	7	86	7
46-60	30	38	32	11	56	33

Table 11: I Like a Play Area for Kids in a Discount Store

Age	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
16-22	22	40	38	26	41	33
23-30	0	100	0	09	82	9
31-45	25	75	0	14	68	18
46-60	38	31	31	0	66	34

Table 12: I Prefer Services Like Packing my Items and Delivering it to Parking Lot by the Store Associates

Age	Bangalore			Mangalore		
	Disagree	Agree	Not sure	Disagree	Agree	Not sure
16-22	20	54	26	11	67	22
23-30	0	100	0	0	76	24
31-45	0	50	50	14	86	0
46-60	23	61	16	11	78	11

Majority of respondents from both cities agree that they would like a play area for kids in a discount store. The percentage of respondents who prefer it, are significantly higher in the age group 23-30 in both the cities. The customers in the age group of 25-35 are more likely to have kids who are 2-6 years old and hence having a play area in the store is essential to attract these customers and in turn increase sales. Many respondents said that they would prefer baby seats in the shopping trolley. This will be particularly useful to attract customers who have children in the 0-2 years age group.

Services like packing items and delivering it to parking lots by store associates is preferred by over 50% of respondents from Bangalore (all age groups) and over 70% of respondents from Mangalore (all age groups). With this in mind Walmart and other retailers should consider implementing customer services that are required by local consumers rather than its traditional services offered in its American stores.

Many respondents said that long waiting lines in the store during the holiday season were a put off. Hence the big box retailers should ensure lower check-out times for the customers to give them the convenience similar to that in local kirana shops.

CONCLUSION

Age, income and location were the indexes used in the study. From the findings of survey of Tier-1 city Bangalore and Tier-2 city Mangalore, respondents in Mangalore were willing to travel more than 10 km to buy in bulk, whereas in a tier-1 city like Bangalore, with higher road traffic, consumers were less inclined towards travelling such a long distance to make their purchases. In Mangalore, more respondents preferred buying products under a store's own brand indicating that they are concerned about the discounts more than the brand. The big box retailers will have to educate the consumers in tier-1 cities of India like Bangalore, about the quality of the products sold under their own brand, in order to attract more sales. The consumers in the lower income group are more concerned about the prices and for them bulk buying is a way to increase their savings.

Even amongst the consumers in the same city, the buying behavior was different for different age groups. The younger generation has significantly different buying patterns. They prefer a café or a food outlet in the discount store, a pamphlet/handout stating the daily offers, and they find it convenient to buy perishables from a discount store instead of kirana shops. Understanding buying patterns of the younger generation of India

is important, as they are going to be the most important customers of tomorrow.

Consumer needs differs from country to country and city to city. Through the study of this paper, Walmart's failure in Germany and South Korea signifies the need for adapting to the local consumer behavior and prevailing market trends. India, with its various cultures, is vastly diverse; hence Walmart should develop different strategies for different cities. Walmart and other retail stores should consider the expectations of the local customer and ensure that their marketing strategies are in sync with the local community.

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