
EXPLORING VARIOUS DIMENSIONS OF SHOPPING BEHAVIOUR OF GUJARATI NRI'S

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ABSTRACT

India is considered as a country of beauty and brains. Due to the developing nature of the country and high population there is a lot of brain drain out of the country. A University of California, Berkeley study reported that one-third of the engineers in Silicon Valley are of Indian descent, while 7% of valley hi-tech firms are led by Indian CEOs. (Source: Silicon India Readership Survey)

Indians along with other Asians, have the highest educational qualifications of all ethnic groups in the US. After the 1970's oil boom in the Middle East, numerous Indians immigrated for work to the gulf countries. The 1990's software boom & rising economy in U.S.A. has the 3rd largest no. of Indians. (Source: 2003 American Community Survey)

This study is the result of the curiosity to know why people of Indian origin, living outside India, shop from India.

The objectives of the study were to understand the buying behaviour of the NRI's (Non Resident Indian) particularly NRG's (Non Resident Gujarati), and identifying the major factors affecting their purchase decisions.

The study reveals the major reasons of buying different products from India and the expectations of NRI's regarding the nature of services provided by the Indian sellers.

The study may be useful to Indian sellers in dealing with the NRG's and frame their strategies accordingly.

KEY WORDS: *NRI, NRG, Shopping Behaviour, Reasons for Buying, Service Expectations*

INTRODUCTION

A “Non Resident India” (NRI) in national language known as ‘Pravas Bhartiya’ is an Indian citizen who has migrated to another country, a person of Indian origin who is born outside India or a person of Indian origin who resides outside India.

As per official figures by Ministry of Overseas Affairs in India, by January 2015, the number of Indians living in different parts across the globe and comprising of NRI and PIO were 28455026. Some of the countries are mentioned below:

Countries	Indian Origin Population
United Arab Emirates (UAE)	2002349
United States of America (USA)	4455909
Saudi Arabia	2800013
Malaysia	2150000
Myanmar	2005576
United Kingdom (UK)	1825000
Sri Lanka	1614000
South Africa	1550000
Source: Ministry of Overseas Affairs in India - January 2015	

The most significant historical consumer behaviour is the study of processes involved when an individual selects, purchases, uses or disposes of products, services, idea or experiences to satisfy needs and desires. (Solomon, 1995) Many researchers and scholars have tried to study the shopping behaviour of NRI's but most of the studies are undertaken at the place where they live now. A consumer makes many buying decisions daily. Most large companies carry out researchers on consumers buying decision in large number & with minute details & great depth to discover what consumer buys, where he/she buys, how & how much does he/she buy & when he/she buys. Various models can be used to study actual consumer purchase or buying behaviour as it is not so easy to get the answers of consumers buying behaviour.

LITERATURE REVIEW

Many different studies are undertaken by different researchers related to shopping behaviour of NRI's for travelling, tourism, mutual funds and investment. By going through the different articles, journals, websites, it was found that a study particularly on the topic of NRI/NRG consumer's shopping behaviour (not for specific product) is not carried on by anybody earlier but studies to the related topics are carried on by some of the authors/researchers.

One study on the topic of “Indians splurge on luxury without guilt” by global marketing

intelligence firm 'synovate' showed that 2 in 3 people across 11 markets treats themselves to luxury every now and then, but 1/3rd feel guilty about that. In sharp contrast to the overall global trends though, Indians came out as people who don't mind dishing out an extra few lakhs if a luxury product really appeals to them. But the study says that Indians feel "luxury is more about quality than it is about price" (Business Today 2008-2009). Another study undertaken in India by Mr. Yogesh Upadhyay and Shiv Kumar Singh titled "**Preference for domestic goods: A study of consumer ethnocentrism (domestic goods)**" concludes that ethnocentrism in India does not vary significantly with the selected levels of education, age and gender. This tendency is spread uniformly amongst socio-demographic groups selected for their study. Their study attempted to explore the attitude Indians harbour towards consumption of domestic vis-à-vis foreign goods. An article by [Arun Prabhudesai](#) on April 14, 2010 states that Juxtconsult has recently [released a report](#) "**NRI Online 2010**", which gives some interesting insights on online behaviour patterns of NRIs. Three out of four online NRI cite 'family' as their main motivation for both staying connected with India and for travelling to India. 3 out of 4 online NRI call India at least once a week. Indians are the only people who even after staying abroad are very close to their motherland. It is rightly said, "*You can take a man out of India but you cannot take India out of a man*".

The main purpose of the study undertaken by Ada Sau-Yee Lo, Bachelor of Science, Cornell University, Ithaca, New York, 1992; "**on the impact of a bundle of determinants on the shopping and visiting intentions of tourists – An extensions of the theory of reasoned action**" was to create a model of the behavioural intention of mainland Chinese tourists visiting Hong Kong, and to test the relationships among the different constructs and investigate the theoretical and empirical evidence for the causal relationships among the different dimensions of shopping quality, shopping value, overall satisfaction, subjective norm, and behavioural intention. The study also examined whether visitors with different demographic and travel characteristics differ in their perceptions of shopping quality, shopping value, overall satisfaction, subjective norm, and behavioural intention.

Many different studies are undertaken by different people related to the shopping behavior of NRI's for travelling, tourism, mutual funds and investment. But none of the studies talk about the consumer behavior of NRI's when they visit India – why they purchase products from India. The review of the above studies indicated that there is no systematic research done in the area of NRI's shopping behavior when they visit India. Finding this research gap, it was an opportunity why not to conduct a study of NRI's (NRG's) who visit India and shop from India.

RESEARCH METHODOLOGY

Research Objectives:

Apparently this seems the first study to have been conducted to investigate the trend of NRI visits, factors affecting them while shopping from India, and what make them buy from India. The specific objectives of the research were:

- 1) To understand the trends of NRI's/NRG's visit to Gujarat.
- 2) To identify product categories usually purchased from India.
- 3) To know the reasons why they purchase from India.
- 4) To know the factors that affects them while shopping.
- 5) To know what services they expect from Indian sellers in India.
- 6) To understand NRI's/NRG's overall shopping behaviour while shopping in India.

Sampling Design:

A descriptive study of 100 NRG's was thought to be conducted. But actually when the survey was conducted, NRG's were not willing to answer due to several reasons. Therefore, a sample of 55 NRG's was selected using non-probability sampling technique of "convenience".

Research Instrument:

A structured questionnaire was prepared containing twenty close-ended questions including two rank order questions and one question comprising of attributes measured on five point Likert Scale and secondary data was collected from books, magazines and websites.

The NRG's who were on their trip to India particularly Gujarat were interviewed face-to-face with the structured questionnaire (schedules) to collect the data. The sample of 55 contained 31 females and 24 males ranging from age of 20 years to 60 years.

The demographic profile of the respondents was as follow:

Table 2 Demographic Profile of The Respondents						
Gender	Country	Age				Total No. of Respondents
		20-30 yrs.	31-40 yrs.	41-50 yrs.	>50 yrs.	
Female	Kuwait	0	0	1	0	1
	Singapore	1	0	0	0	1
	U.K.	2	0	4	1	7
	USA	5	6	4	7	22
Total		8	6	9	8	31
Male	Australia	3	1	0	0	4
	Kuwait	0	0	1	0	1
	Oman	0	0	0	1	1
	Singapore	0	1	0	0	1
	U.K.	3	1	2	1	7
	USA	3	2	4	1	10
Total		9	5	7	3	24

Statistical Tools:

To meet the objectives, simple techniques like frequency, percentages and chi-square tests were used for data analysis.

ANALYSIS AND DISCUSSIONS

			Once in a year	Twice in a year	Alternate year	Any other year	Total
			Yes	Yes	Yes	Yes	
Female	Country	Kuwait	0	1	0	0	1
		Singapore	0	0	1	0	1
		UK	4	0	0	0	7
		USA	6	1	5	0	22
	Total		10	2	6	0	31
Male	Country	Australia	2	0	1	0	4
		Kuwait	0	1	0	0	1
		Oman	1	0	0	0	1
		Singapore	1	0	0	0	1
		UK	6	1	0	0	7
		USA	7	0	2	0	10
	Total		17	2	3	0	24

The above table indicates that majority of the NRI's prefer to visit India once in a year and most of them are from USA.

August	September	October	Nov.	Dec.	Jan.	Feb.	March
2	4	7	15	30	24	28	5

The above table indicates that majority visits of NRI's to India are found in the months of December, January and February

Reasons	Ranks							Total
	1	2	3	4	5	6	7	
B'coz other primary group members purchase	1	1	2	8	6	16	21	55
Superb quality	3	9	10	9	11	10	3	55
Need these products in India	2	3	2	8	8	13	19	55
Reasonably priced	15	21	8	3	7	0	1	55
More variety	19	9	11	7	6	2	1	55
My type of products	3	9	17	11	7	8	0	55
Made in India	12	3	5	10	10	5	10	55

The above table reveals that majority of the NRI's purchase from India due to reasonable price of the products and availability of more varieties.

Factors	Likert Scale					Total
	1	2	3	4	5	
Quality	51	4	0	0	0	55
Price	22	23	6	2	2	55
Brand name	12	19	15	9	0	55
Store Image	11	21	13	9	1	55
Hospitality	33	13	8	1	0	55
Patriotism	20	11	12	6	6	55

Maximum respondents consider product quality as the most important factor affecting their purchase behaviour. Hospitality and price are the next important factors for them.

Services	1	2	3	4	5	6	7	Total
Free home delivery	1	10	14	18	5	5	2	55
Credit Facility	2	3	3	8	7	17	15	55
Sale or Return	14	14	12	11	2	0	2	55
Credit card service	2	4	13	12	17	4	3	55
Money Transfer Service	3	1	2	10	14	21	4	55
Currency Exchange	1	3	5	5	10	22	9	55
Full information of Product	23	15	7	2	4	2	2	55

Majority of the respondents expect full and correct information about the products from Indian sellers.

HYPOTHESIS TESTING

In order to test the above hypothesis chi-square statistics was calculated as:

$$\chi^2 = \sum_{i=1}^n \sum_{j=1}^n \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where $E_{ij} = \frac{R_i \times C_j}{G}$

Where O_{ij} = observed frequency in the i-jth cell

E_{ij} = expected frequency of the i-jth cell

R_i = Row Total of ith Row

C_j = Column Total of the jth Column

G = Grand Total

Table-8 below indicates the hypothesis testing related to the factors that are given importance while purchasing goods or services from India:

Table-8 Results of Chi-Square Test

Sr. No.	Hypothesis	Calculated Value χ^2	Table Value χ^2	Decision
1	Ho: Age does not affect the importance level of the quality of the product. H1: Age affects the importance level of the quality of the product.	2.089	0.583	Accept the Null Hypothesis
2	Ho: Age does not affect the importance level of the price of the product. H1: Age affects the importance level of the price of the product.	17.113	0.128	Accept the Null Hypothesis
3	Ho: Age does not affect the importance level of the brand name of the product. H1: Age affects the importance level of the brand name of the product.	14.813	0.094	Accept the Null Hypothesis
4	Ho: Age does not affect the importance level of the store image of the product. H1: Age affects the importance level of the store	10.716	0.599	Accept the Null Hypothesis

	image of the product.			
5	Ho: Age does not affect the importance level of the hospitality of the product. H1: Age affects the importance level of the hospitality of the product.	4.047	0.973	Accept the Null Hypothesis
6	Ho: Age does not affect the importance level of the patriotism towards the country. H1: Age affects the importance level of the patriotism towards the country.	16.074	0.189	Accept the Null Hypothesis
7	Ho: Gender does not affect the importance level of the quality of the product. H1: Gender affects the importance level of the quality of the product.	0.071	1.00	Accept the Null Hypothesis
8	Ho: Gender does not affect the importance level of the price of the product. H1: Gender affects the importance level of the price of the product.	2.096	0.788	Accept the Null Hypothesis
9	Ho: Gender does not affect the importance level of the brand image of the product. H1: Gender affects the importance level of the brand image of the product.	2.738	0.445	Accept the Null Hypothesis
10	Ho: Gender does not affect the importance level of the store image of the product. H1: Gender affects the importance level of the store image of the product.	2.086	0.806	Accept the Null Hypothesis
11	Ho: Gender does not affect the importance level of the hospitality of the product. H1: Gender affects the importance level of the hospitality of the product.	4.542	0.191	Accept the Null Hypothesis
12	Ho: Gender does not affect the importance level of the patriotism of the product. H1: Gender affects the importance level of the patriotism of the product.	6.167	0.196	Accept the Null Hypothesis
13	Ho: Occupation does not affect the importance level of the quality of the product. H1: Occupation affects the importance level of the quality of the product.	5.263	0.292	Accept the Null Hypothesis
14	Ho: Occupation does not affect the importance level of the price of the product. H1: Occupation affects the importance level of the price of the product.	16.393	0.415	Accept the Null Hypothesis
15	Ho: Occupation does not affect the importance level	14.565	0.270	Accept the Null

	of the brand image of the product. H1: Occupation affects the importance level of the brand image of the product.			Hypothesis
16	Ho: Occupation does not affect the importance level of the store image of the product. H1: Occupation affects the importance level of the store image of the product.	32.739	0.008	Reject the Null Hypothesis
17	Ho: Occupation does not affect the importance level of the hospitality of the product. H1: Occupation affects the importance level of the hospitality of the product.	11.231	0.471	Accept the Null Hypothesis
18	Ho: Occupation does not affect the importance level of the patriotism of the product. H1: Occupation affects the importance level of the patriotism of the product.	19.999	0.220	Accept the Null Hypothesis

The above results indicate that Age, Gender and Occupation do not significantly affect the factors like Quality, Price, Brand Image, Store Image, Hospitality provided by seller in India or the feeling of Patriotism but only occupation of the NRG’s definitely affect their store choice and store image while purchasing from India.

FINDINGS OF THE STUDY

The study revealed that maximum respondents either male or female prefer to visit India in the months of December, January and February. They prefer to visit India once in a year. Majority of the respondents purchase garments from India, jewellery, and then shoes in order of preference and prefer to purchase products in India from department store (71%), then Retail outlet or from Exclusive store. The study revealed that majority of the respondents purchase products from India for themselves as well as to gift. They visit the stores that are referred to them by their friends and relatives and very few of them are attracted to purchase by advertisements. Majority of the respondents prefer to visit stores with their family members or with their friends & relatives. Very few of them prefer to shop alone. Survey suggested that majority of the respondents bargain while shopping.

When asked for the reasons why they purchase products from India, respondents gave interesting answers. Among them highest majority of respondents gave reasonable price as the main reason of purchasing from India. Second reason was suggested that India offers more variety and ethnicity. Some other reasons that were revealed were that they purchase from India because they get their type of product, quality products.

The study also revealed that majority of the respondents expects full information of the product from the seller. Secondly they expect sale or return service, and free home delivery of products. Very few NRI customers opted for credit card service option from sellers. It was surprising that none of the respondents expected the money transfer service, currency exchange service and credit facility service from the Indian sellers. When asked whether sellers approach them to their country only 33% respondents replied positively. And the way to approach them was

mostly through e-mails and sms. By analysing cross relationships between some variables, the study revealed that Age, Gender and Country doesn't have any relation with the responses of NRG's. That means respondents from all age groups, from all countries and both the genders mostly do not have different preferences. The only variable that differed was that the respondents of USA gave the high importance to the store image than the respondents of the other countries.

IMPLICATIONS OF THE STUDY

The findings will help the marketers/sellers/Indian shopkeepers to know about the NRI's choices, behaviour, expectations etc and help them to develop their offerings and design their marketing strategies accordingly and try to satisfy the NRIs and earn a lot of foreign exchange for India.

CONCLUSION

The Indians think that there are lots of opportunities outside India move abroad but they are always attached with their homeland. *The study revealed that Non-Resident Indians particularly Gujaratis prefer to visit India Once in a year and preferably in the months from November to February. When it was tried to relate whether age has any relation with the preference or gender has any relation with preference for shopping from India or the country in which they reside now has something to do with the shopping preferences, respondents from all age groups, both the genders across the countries prefer to purchase garments, jewelry and shoes mostly and that also majority of them prefer to purchase from department stores. The study also revealed that even NRI /NRG customers also bargain while shopping in India. The study may be replicated to more exhausting sample in future and a cross study can also be made to know the experiences of sellers who sell to NRI customers.*

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