

## **Analysing the Cognitive Dissonance Behaviour of a Customer before Buying Products in Retail Stores**

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### **Abstract**

*Today, Indian retail is seeing unprecedented growth. India's sector has a larger customer base, it is very important for retail businesses to understand consumer behaviour very effectively. In the process of understanding consumer behaviour, it is vital to understand the cognitive dissonance behaviour of a customer before buying to retain the consumer for long term. Cognitive dissonance also can influence the perception and sense of oneself, which leads to poor self-esteem and self-worth. Cognitive dissonance has several consequences because people want to prevent this discomfort. Dissonance may affect people's behaviour, ideas and decisions. This research aims to study cognitive dissonance behaviour of customer before buying products in retail stores. The study used analytical and descriptive research methodology, all primary data was obtained by using structured questionnaires and secondary data collected from various published research papers from ProQuest and EBSCO databases. The study concludes that cognitive dissonance behaviour of a customer has an wider impact on buying behavior of retail customer.*

**Key-words:** Customers, Retailing, Buying Behavior, Organised Retail, Customers Satisfaction.

### **1. Introduction**

Marketers have always attempted to not only attract new consumers but also to keep existing ones in a rapidly changing business environment by offering value and meeting customers' exchange expectations. Customer retention has been proven to be strongly linked to customer satisfaction, which impacts not just customer retention but also revenue and earnings.

Since consumer behaviour and its broad research has become the cornerstone of any firm's marketing strategy, a deep and comprehensive study of all its elements has become vital for an

organization's success. As a result, the concept of cognitive dissonance and its impact on consumer behaviour has more important area concern for retail industries.

As consumer behaviour is a fast-expanding field of research. Understanding consumer behaviour and knowing customers are not as easy as they appear. It is nearly difficult to forecast how a consumer would behave in a particular circumstance with 100% precision. We, as consumers, display extremely substantial variances in our purchasing behaviour and play a crucial part in various economic circumstances, whether local, national, or worldwide. Understanding consumer behaviour is a process of understanding how an individual's buy or purchases under different condition. It is a sub-category of marketing that combines psychological, sociological, anthropological and economic components. The present study tries to understand cognitive dissonance behaviour of customer before buying products in retail stores.

### **Objectives of the Study**

1. To study the cognitive dissonance behaviour of customer before buying/ purchasing products in retail stores.
2. To explore various factors those are influencing cognitive dissonance behaviour of consumers in the organised retail store.

### **Hypothesis**

$H_0$  – There is no significant relationship between cognitive dissonance behaviour and buying/ purchasing decision of consumer.

$H_a$  – There is significant relationship between cognitive dissonance behaviour and buying/ purchasing decision of consumer.

### **Scope of the Study**

This study seeks to discover different elements of cognitive dissonance behaviour that affect customers' purchasing conduct in an organised retail sector and their degree of influence on buying decisions. This research solely includes organised retail shops such as supermarkets, hypermarkets, retailers and shopping centres in Pune city of Maharashtra, India. The study helps merchants to manage a firm successfully for the long term through appropriate tactics to address the cognitive dissonance behaviour of customer to retain them in long term.

## 2. Literature Review

In IS research, cognitive dissonance theory is utilised to describe people's behaviour when they face differences in the perception of goods' performance between pre-service or post-services (1). The concept says that dissonance occurs if a person possesses two or more contradicting cognitions (2). Dissonance, driven by distorted expectations, leads to unpleasant feelings and discomfort connected with the psychological condition. This emotional condition affects people's drive to overcome disagreement (3, 4). A variety of actions may be taken to minimise dissonance. These actions may be divided into three basic categories, namely change of attitude, the search for knowledge and behaviour (4). A shift of mindset is described as a change in initial expectations or perceptions of achievement (5-7). The inclinations of individuals towards a single option are reinforced, and alternatives are rejected, increasing consonance. The shift in attitude indicates a rationalisation of product purchasing after the event to safeguard decisions' integrity and results (7,8,9). The consonant information search mode happens when individuals search through various means, for example, advertisement (11) or word of mouth, to reinforce knowledge regarding decisions (12). The shift in behaviours means the abolition of dissonant behaviour (13). This reduction technique is a sophisticated measure to prevent future harmful effects (15). For example, adverse events might cause the usage of a specific trademark to be annulled (16). Similarly, exposure to poor word of mouth can lead to the product/brand being discontinued (11). However, a change in behaviour calls for substantial effort, making it a less reported dissonance reduction approach (18).

## 3. Methodology

**Type of Research:** Descriptive research and Analytical research is used for the study.

**Research Instrument:** The researcher has used a structured questionnaire as a research instrument.

**Method of Data Collection:** Data for the present study, analysis and establishment of objectives has been collected from both primary sources (structured questionnaire) and secondary sources (ProQuest, EBSCO database).

### Data Analysis

All the data is going to be analyzed with excel and SPSS package for demographic analysis and descriptive analysis.

## **Sample Size**

The sample sizes of the study are 120 (Retail consumers).

## **Sample Collection Area**

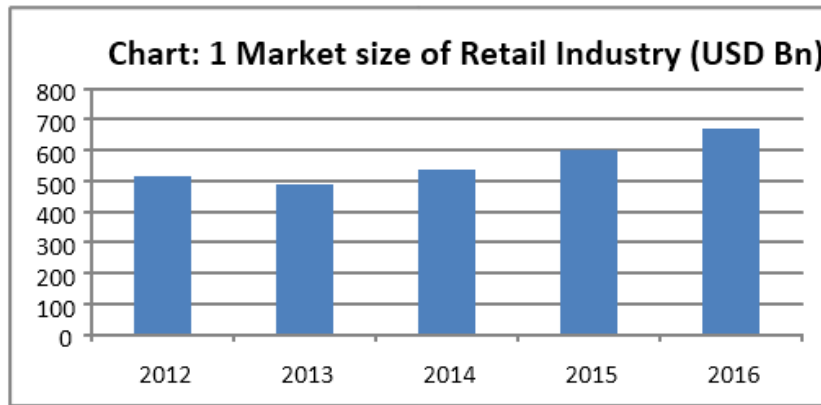
The sample was collected from Pune city of Maharashtra.

## **Sampling Technique**

The sampling design is followed - Random sampling and convenience sampling.

## **4. An Overview on Retail Industry in India**

Due to the advent of numerous new actors recently coupled with rising earnings, expanding ambitions, favourable demographics, and cheap credit availability, the Indian retail business has emerged as a dynamic and rapidly developing industry. The figure represents more than 10% of the country's GDP and around 8% of jobs and amounts to USD 672 billion. India is worldwide the fifth largest shopping destination and grows at a rate of 12 per cent each year. The size, scale and complexity of retail products have changed significantly during the past two decades. The retail business may generally be categorised as two: organised and unorganised. High investment needs, huge premises, skilled employees with licenses and registered to pay taxes to the government are the characteristics of the organised retail industry. Unorganised retail refers to the traditional retail form that is typically close to residential areas. It is usually characterised by cheap rents, low taxes, with a majority-owned and personal capital employed. It comprises a great mix of typical Kirana shops, general businesses, mom & mom shops, paan-beedi shops and other small shops. At present, the organised retail market amounts to roughly USD 60 billion, with the remaining 9% being an unorganised retail industry. The retail penetration in India is significantly lower than other nations, such as the US that organised 85 per cent of the retail industry.



### **Growth of Retail Industry in India**

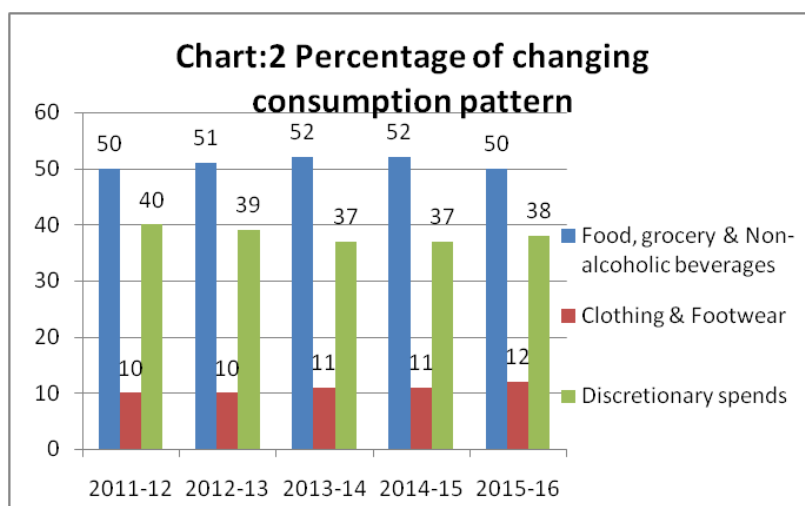
The volume of retail markets increased from 518 billion USD in 2012 to around 672 billion USD by 2016, with a compound annual rate of growth (CAGR) of around 7%. In the previous two years, however, the retail sector has grown to around 12% in favor of population, greater income levels, easier credit access, etc., respectively. The IBEF forecasts that the CAGR would rise by more than 17% in the following four years and reach USD 1.300 billion by 2020. By 2020. But CARE expects retail to register an increase of around 12 to 14 percent over the next 4 years and to reach about USD 1.150 billion by 2020 because of the expectation of the private consumer expenditure to reach approximately 12.5 percent by 2020. (it has historically grown by 10 to 12 percent), with GDP by ~8.5 to 9 percent. The industry is also expected to register growth in the future with increased demand from higher income consumers, creating employment, improving living standards, higher discretionary costs and increased producers/dealer participation in the organized rethink market, discounted, promotional pricing, an increasing number of products and more private labels including with retailers.

### **Organised Retail Formats in India**

Modern India shopping has entered enormous mall shopping, entertainment, recreational centers and supermarkets for the customer. At the same time, merchants are experimenting with different formats such as budget shops, supermarkets, shopping centers, shopping malls and high-end stores. However, mostly because of the convenience factors Kirana stores keep scoring over contemporary models. The organized sector generally involves a wide range of merchants, increased taxes enforcement and improved labor law supervision. Retailing no longer involves only storage and sales but also efficient supply chain management, the development of partnerships between

distributors and providers, customer service quality, effective merchandising and prompt promotions. The Indian retail industry has seen significant development, although mainly unorganized, in recent years. The food & food and footwear category, which accounts for over 80% of market share in FY16, are the principal revenue driver in Indian retailing. In recent years there have been major investments in the Indian Retail sector in several key actors in the nation, including Tata, Reliance Industries, Aditya Birla, and many more. The organized component has grown tremendously. Many more progressive firms entered the region with long-term objectives to develop their operations across verticals, towns, formats and segments.

### Changing Face of Indian Consumerism – from Necessities to Luxury (Brand Consciousness)



Discretionary spending has grown in importance as the Indian population's economic level has increased, as has the use of digital payment. Food and groceries and clothing and footwear expenditure accounted for 62 per cent of overall spending in FY16, while discretionary spending remained stable at 38 per cent. Despite a falling share, the "Food, Grocery, and Beverage" sector continued to be the largest expenditure head, but rising consumer spending in "discretionary" categories such as healthcare, personal care goods, and so on was a notable element of the evolving consumption pattern.

### 5. Cognitive Dissonance and Consumer Behaviour

Cognitive dissonance is one of the most extensively researched phenomena in psychological history. The name cognitive dissonance denotes a psychological situation in which the cognoses,

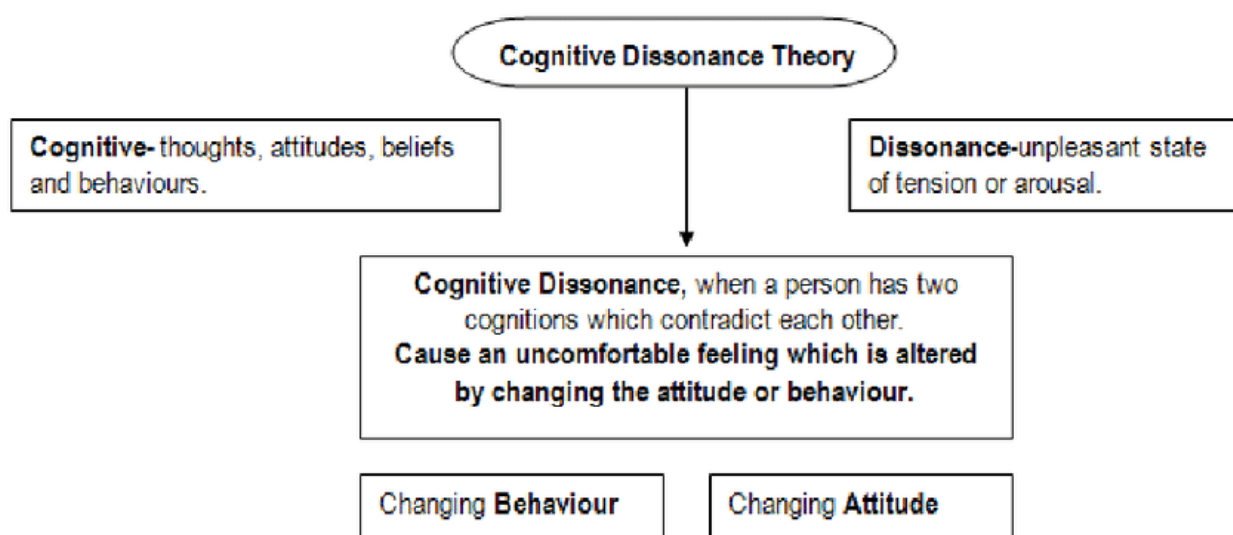
attitudes, and behaviours of an individual are inconsistent. Cognitive dissonance is highly linked to change of attitude. It is a scenario when two cognitions are incompatible. Dissonance or a desire for harmony or inconsistency, according to cognitive dissonance theory, happens whenever an individual has contradicting ideas regarding a belief or attitude object. Post-buy dissonance is cognitive conflict that happens after a purchase. Post-purchase dissonance is common since purchasing a product frequently necessitates some degree of compromise. Consumers can justify their choice as prudent, search for ads to back up their choices, or seek comfort from known pleased owners.

It is critical for retail industries to eliminate these dissonances in order to establish a favourable brand image for the company. Customers can choose from a vast choice of products and services provided by the retail industry. They must be cautious not to cause cognitive dissonance with their offerings. They need to do additional study to figure out what causes cause dissonance and how to decrease it. This will also assist businesses in maintaining a good consumer mindset.

### Cognitive Dissonance

The phrase cognitive dissonance is the mental discomfort caused by two contradictory ideas, values and attitudes. People prefer to seek coherence of their attitudes and perceptions. Thus this conflict creates uncomfortable or uncomfortable sensations.

This mismatch between the beliefs and behaviours of people drives people to take activities that reduce unpleasant sensations. People try to alleviate this tension by rejecting, explaining away or ignoring new knowledge in numerous ways.



Everyone has some degree of cognitive dissonance, but this does not always imply that you can detect it. Some indicators that dissonance may be linked to what you feel:

1. Before doing something or making a decision, feel uncomfortable.
2. Trying to justify or streamline your decision or acts.
3. Feeling uncomfortable or guilty at something you have done and trying to hide from others your activities.
4. Experience the shame or regret of something you did last.

There are a number of different situations that can create conflicts that lead to cognitive dissonance.

External expectations, such as those at work, school, or in social situations, may lead you to engage in activities contrary to your views. This might be doing something at work to avoid being fired or going along with something because of peer pressure. Cognitive dissonance is a sensation that occurs when you acquire new knowledge. If you engage in an activity that you subsequently discover is detrimental, for example, you may experience discomfort. People deal with this by either justifying their actions or discrediting or ignoring new information. Regularly, people make both major and little decisions. People frequently experience dissonance when presented with two identical possibilities because both are equally tempting. People must, however, find a means to alleviate these unpleasant sensations once they have made a decision. People do this by rationalising why their choice was the greatest one, allowing them to think they made the correct choice.

The people may feel concerned and dissatisfied because of cognitive dissonance, in particular if there is something significant to their sense of self in the gap between their beliefs and behavior. For example, it might lead to serious feelings of disappointment by acting in ways that are not compatible with your own views. Not only does your conduct contradict your worldview, but it also violates your self-perception.

## **6. Result and Discussion**

Every marketer, regardless of product or service category, strives to satisfy customers. A variety of societal variables impact a customer's pre-purchase behaviour, and the marketer may or may not have a direct part in these aspects. When it comes to long-lasting and sophisticated items, customers must go through a stage known as Cognitive Dissonance before deciding whether they are happy or unsatisfied. It indicates that everyone has a strong need to preserve cognitive consistency, which can lead to illogical and sometimes harmful conduct. The retail business, as we all know, is



rapidly expanding. Customers can choose from a wide range of products. The ability to provide goods and services quickly is critical to success in this business. Simultaneously, marketers must be cautious with their promotional messaging so that target clients are not confused. Customers may be forced to switch one brand to another if they experience any kind of discord. Customers are king in the retail sector, therefore it's critical that retailers please them with their products. As a result, identifying the elements that cause cognitive dissonance and ensuring a good consumer attitude regarding their specific brands is critical. This research will aid retail businesses in identifying the variables that are most important in causing cognitive dissonance. This research will also aid in the discovery of potential solutions to the service industry's cognitive dissonance issues.

### Demographic Profile Analysis of Respondents

A total of 120 consumers participated in the survey: 44% of respondents are female, and 56% are male. It shows that both males and females are actively given their responses, and gender is not a constraint.

Figure 1

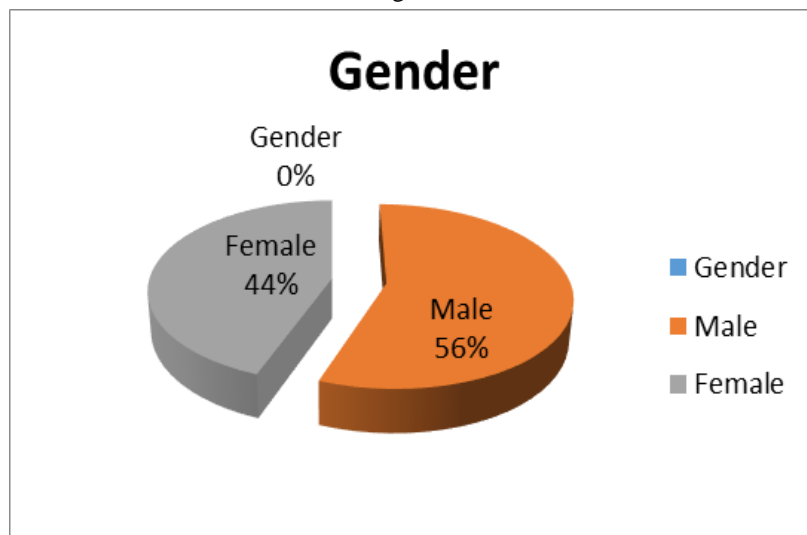
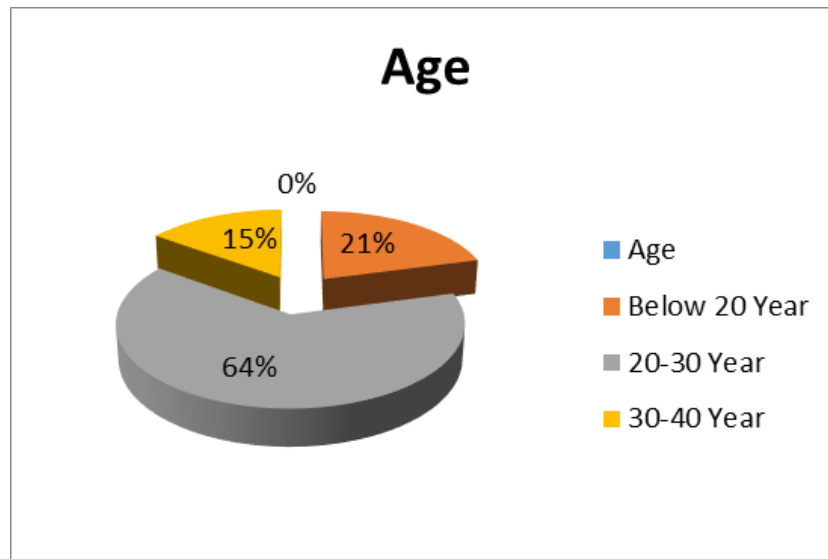


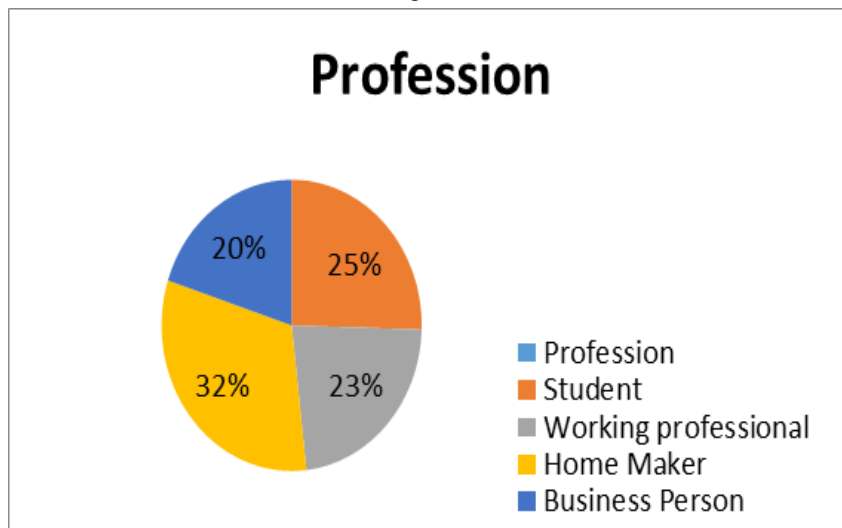
Figure-2 shows that 64% of respondents are in between the age group of 20-30, 21% are in the age group of below 20 years, and 15% are in the age group of 30-40 years, which shows that majority of respondents are in young age group.

Figure 2



From figure 3, it is found that 32% of homemakers and 25% of respondents are students, 23% of respondents are working professionals, and 20% of respondents are given their responses during the survey.

Figure 3



### Factor Influencing Consumer Purchasing Decision

From the study it has found that the below mentioned factors are influencing pre-buying/purchasing decision of consumer in retail sector. The details has been stated in table: 1.

Table 1

<b>Variables/Indicators</b>	<b>Mean</b>
Brand image	4.60
Quality	4.81
Product description and specification	3.62
Packaging	3.82
Durability	4.90
Value for Price	4.80
Advertising mode	3.78
Digital marketing and telemarketing	4.66
Customer Review comment	4.10
Customers review videos on product	4.50

From the above table, it is observed that most of the customers reported that Brand image, Quality, Durability, Value for Price, Digital marketing and telemarketing, Customer Review comment, Customers review videos on the product are the most important factors which influencing consumer purchasing decision.

### **Factors influencing Cognitive Dissonance Behavior of Customer before Buying Products in Retail Stores**

Table -2 shows various factors influencing the cognitive dissonance behaviour of customers; all the responses were also collected on a 5 point Likert scale; from the answers, it was found the some of the prominent factors like marketing factors, personal factors, psychological factors, situational factors, social factors, cultural factors, quality factors are influencing the cognitive dissonance behaviour of customer before buying products in retail stores.

Table 2

<b>Challenges</b>	<b>Mean</b>	<b>Description</b>
Marketing factors	4.46	Very High
Personal factors	4.90	Very High
Psychological factors	4.60	Very High
Situational Factors	4.80	Very High
Social Factors	4.60	Very High
Cultural factors	4.89	Very High
Quality Factors	4.68	Very High
Branding	3.30	High
Other factors	3.00	Low

## Hypothesis Testing

Table 3 - Regression Table of Cognitive Dissonance Behavior and Purchasing Decision

<b>Model Summary<sup>b</sup></b>									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.759 <sup>a</sup>	.576	.573	.32825	.576	160.389	1	118	.000
a. Predictors: (Constant), Cognitive Dissonance Behavior									
b. Dependent Variable: Purchasing Decision									

<b>ANOVA<sup>b</sup></b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.282	1	17.282	160.389	.000 <sup>a</sup>
	Residual	12.714	118	.108		
	Total	29.996	119			
a. Predictors: (Constant), Cognitive Dissonance Behavior						
b. Dependent Variable: Purchasing Decision						

<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.802	.353		5.106	.000
	Cognitive Dissonance Behavior	.716	.057	.759	12.664	.000
a. Dependent Variable: Purchasing Decision						

From the above analysis it has found that F-160.389 value is significant at 0.000 levels and t-5.106 is significant 0.000 significance level. So there is a significance relationship between Cognitive Dissonance Behavior and Purchasing Decision found so H<sub>a1</sub> is accepted and H<sub>01</sub> is rejected.

## 7. Conclusion

Retailing in India, which accounts for around 10% of the GDP, is a cornerstone of its economy. Organised retail is developing fast, and people are buying at organised retail outlets. This demonstrates India's potential for development in organised retail penetration. The primary growth factors in India's organised retail industry include improved economics, changing demographics,

more disposable revenues in the hands of the middle class, changing tastes and preferences, and increased urbanisation together with increasing discretionary spending. The success of every retail format depends exclusively on how it performs at a particular moment in the market. Therefore, knowing the behaviour of customers is the key to retailer success. Cognitive consumer dissonance is highly essential to examine the outcomes in line with the aim of this study.

The research was carried out in Pune. The study discovered that a variety of factors influence customer cognitive dissonance in the retail industry. The findings of this study revealed that marketing elements, personal factors, psychological factors, situational factors, social aspects, cultural factors, and quality considerations all influence a customer's cognitive dissonance behaviour before purchasing a product in a retail store. The study also discovered that there is a significance relationship between Cognitive Dissonance Behavior and Consumer Purchasing Decisions in the Retail Industry. The findings will help marketers and academics understand the relevance of Cognitive Dissonance in determining whether a customer is satisfied or unsatisfied. With the increasing expansion of the retail sector, marketers of various retail companies are confronted with significant problems in meeting consumer expectations. As a result, it's critical for retailers to decrease purchasing dissonance in order to compete in both local and worldwide marketplaces.

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