CONSUMER SPENDING BEHAVIOUR

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ABSTRACT

Introduction: In the recent years the way consumer spends their money has changed. The perforation of internet and urbanization deeply affected the consumer's behaviour in shopping. In earlier times shopping was only limited to the needed things rather than the desires. Now a days, urbanization is a constant sensation and is drastically affecting the lifestyle. The study is based on the secondary dataset which will describe various aspects of shopping patterns within different genders and age groups. Objectives: The main objective of this research paper is to analyze which gender and the age group is most attracted towards shopping. Methods: A total of 200 sample of consumer is involved in the study. All the statistical analysis has been performed using the Microsoft Excel Software. Outcomes: The average age group taken in the study is around 39 years with an average annual income of 60.56 k$ and mean spending score is around 50.2. Conclusion: From the analysis carried we conclude that the females with active age group lying between 30 to 45 years of age have greater annual income and tends to consume or spend more on their lifestyles. Keywortds: Buying behaviour of consumer, urbanization, lifestyle

1. INTRODUCTION

"CONSUMERS ARE STATISTICS, CUSTOMERS ARE PEOPLE- H. STANLEY MARCUS"

The consumer market generally has a higher spendable income for the modern urban lifestyles this makes it the need of the hour to increase the consumer awareness in various cities [2]. Global corporations view the developing countries as one of the key markets from where future growth is likely to emerge. The growth in developing countries consumer market would be primarily driven by a favorable population composition and increasing disposable income [1]. The continuous growth in incomes empowers the young population to invest in their desires, enlargement in the availability of products and services and convenience of credits, all has given rise to new segment of consumers. Also, this nature of continuous investment in the desires has given a rising acceptability of debt, whether it is an electronic device, credit cards or any organized retail, people clearly seem to be disbursed more, particularly on discretionary items [3]. More the amount of time you spend in an area, the quickly your behaviour and habits can adapt in that environment, as your brain adjusts to it [5]. It has been noticed that it takes approximately 21 days to develop any habit.

OBJECTIVES

- Descriptive of the data.
- To find out which gender group is more attracted towards shopping.

- To analyze which age group is highly influenced by shopping.
- What is the relation between annual income and consumption needs?

2. METHODOLOGY

Our present study contains a sample of 200 consumer's buying behaviour in the market, the data used in the study is a secondary data [2]]. The data has in total of 5 columns out of which we have selected few columns which we find suitable to carry out the analysis. The factors that have been selected are Gender, Age group, Annual income, Consumption (Spending Score which has been scaled from 1-100). The analysis runs around on the nodes of the Pivot charts using the **Advance Excel** techniques as well as the **Correlation Test**.

STUDY LIMITATIONS

The data used in the study is the secondary data with a limited sample size of 200 hence this limitation should be acknowledged.

DATA ANALYSIS

DESCRIPTIVE ANALYSIS							
Gender		**Age**		**Annual Income k$**		**Spending Score (1-100)**	
Mean	1.56	**Mean**	38.85	**Mean**	60.56	**Mean**	50.2
Standard Error	0.035187938	**Standard Error**	0.987758	**Standard Error**	1.857196	**Standard Error**	1.825999
Median	2	**Median**	36	**Median**	61.5	**Median**	50
Mode	2	**Mode**	32	**Mode**	54	**Mode**	42
Standard Deviation	0.497632586	**Standard Deviation**	13.96901	**Standard Deviation**	26.26472	**Standard Deviation**	25.82352
Sample Variance	0.247638191	**Sample Variance**	195.1332	**Sample Variance**	689.8356	**Sample Variance**	666.8543
Kurtosis	-1.960375227	**Kurtosis**	-0.67157	**Kurtosis**	-0.09849	**Kurtosis**	-0.82663
Skewness	-0.24357754	**Skewness**	0.485569	**Skewness**	0.321843	**Skewness**	-0.04722
Count	200	**Count**	200	**Count**	200	**Count**	200

Descriptive Analysis of the Data

I. Composition of Data

Responses	**No. of Respondents**
Male	88
Female	112
Total	200

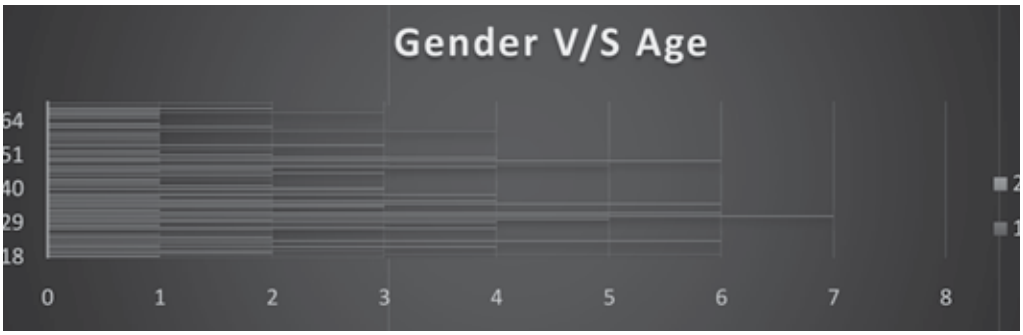
Data Interpretation

The survey was undertaken for the research and out of all the responses collected 44% were males while 56% were females.

II. Gender V/S Age

Table for the given graph has been given in the appendix as Table 1.1

Key:
1 --> Males
2 --> Females



Data Interpretation

Most of sample population have extremities for the male group either they are very young i.e., 18 to 22 years or the middle age group i.e., above 45 years but not greater than 55 years. On the other hand, for females the age groups are either very active i.e., 29 to 34 years or lies in the middle age group i.e., 45 to 50 years. On a whole sample population range in between the working age group and the later age group.

III. Gender v/s Income

Gender	Annual Income k$		
	15-25	25-75	75& above
Male	10	50	28
Female	12	68	32



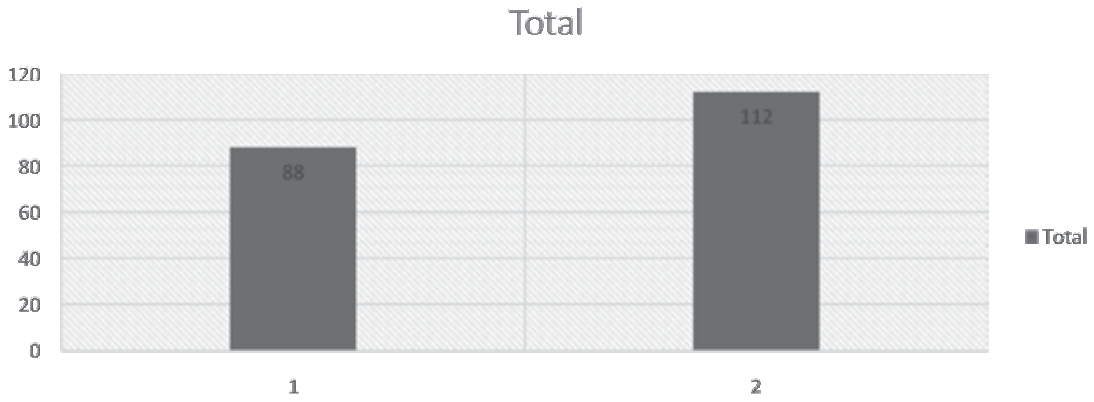
Data Interpretation

From the graph it's pretty clear that most of the males and females have their annual income lying in the interval of 25 to 75. Thus, we can say that the greater scope of consumption for having a fancy lifestyle is exhibited more by females as compared to males.

IV. Gender and Consumption

Row Labels	Count of Spending Score (1-100)
1	88
2	112
Grand Total	200

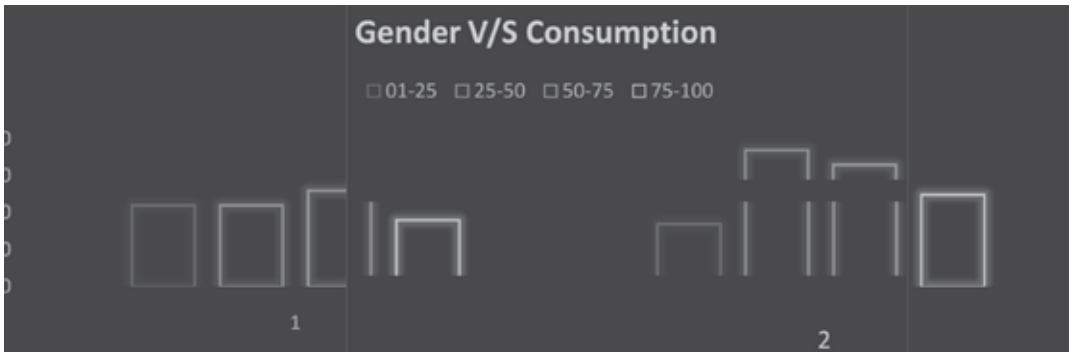
Key:
1 --> Males
2 --> Females



Data interpretation

From the bar graph it's absolutely clear that the females have a greater preference of spending money as compared to the male population.

Gender	Consumption			
	1-25	25-50	50-75	75-100
Male	22	22	26	18
Female	17	37	33	25

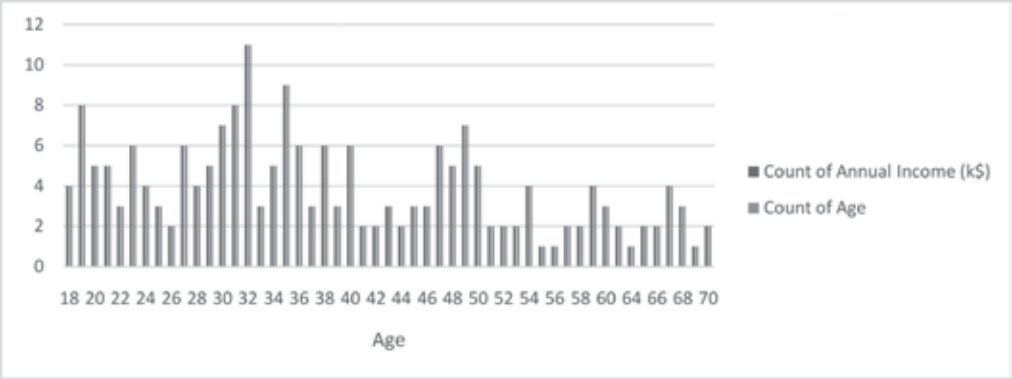


Data interpretation

Also, if we try to dig in a bit deeper will see that in Males the maximum willingness to spend money lies in the intervals 50 to 75 whereas on the other hand for females it lies in the interval of 25 to 50.

V. Age and income

Table for the given graph has been given in the appendix as Table 2.1

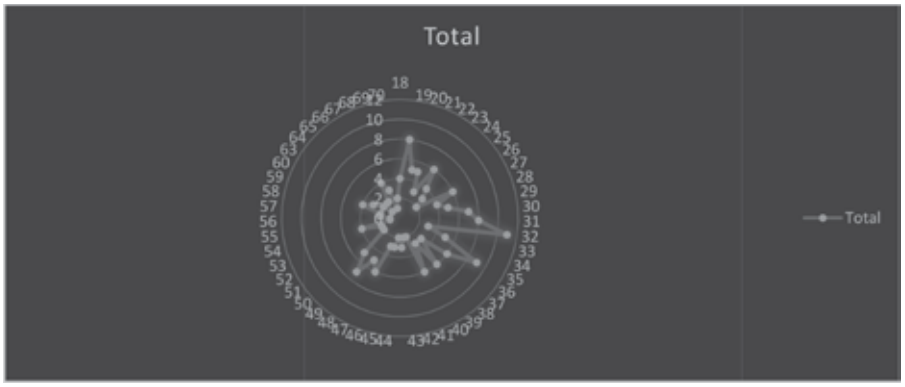


Data Interpretation

Here, comes the most interesting thing to note that is the income of the people. On comparing it with the age group we could infer that the active age group i.e., lying between 30 to 36 years of age earn more as compared to others. Followed up by the young youth and finally ending with the later (getting retiring) group.

VI. Spending Score

Table for the given graph has been given in the appendix as Table 3.1



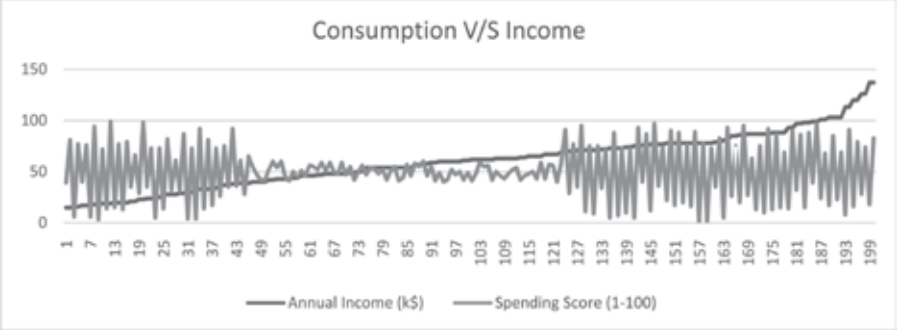
Data Interpretation

From the radar diagram it's clear that the active age group lying between 30 to 35 years of age tends to spend more of their income as compared to the other age groups.

VII. Correlation Analysis

	Annual Income (k$)	Spending Score (1-100)
Annual Income (k$)	1	

Spending Score (1-100)	0.009902848	1



Data Interpretation

From the correlation test it's pretty clear that income and consumption is weakly related as it is hardly 0.0099 which is approx. to 0.01. Also, clear from the line graph that the consumption fluctuates a lot from annual income point of view. Thus, people tend to consume more as compared to their earnings. To be more specific, we can say they consume more with less earning and consume less with more earnings in the extremes on both sides.

CONCLUSIONS

In this research paper we conclude that the average age group taken in the study is around 39 years with an average annual income of 60.56 K$ and mean spending score of around 50.2. From the analysis carried above with visualizations and correlation, we could conclude that the females with the active age group lying b/w 30 to 45 years of age have greater annual income and tends to consume or spend more on their life styles. The basic economic states that when income grows, disposable income rises and thus consumers buy more goods. This results in an increase in the consumption of major purchases and non-essential goods to have a fancy lifestyle. Thus, the increase in consumers spending is not a direct relationship to income as we can see from the study that a weak Correlation was found between the annual income and spending score (consumption).

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5. 7061-Article%20Text-13856-1-10-20210310.pdf

APPENDIX

TABLE 1.1 Gender V/S Age

Age	**Gender**		
Row Labels	**1**	**2**	**Grand Total**
18	3	1	4

19	6	2	8
20	3	2	5
21	1	4	5
22	1	2	3
23		6	6
24	2	2	4
25	2	1	3
26	2		2
27	2	4	6
28	3	1	4
29	1	4	5
30	2	5	7
31	1	7	8
32	5	6	11
33	2	1	3
34	2	3	5
35	3	6	9
36	2	4	6
37	2	1	3
38	2	4	6
39	3		3
40	3	3	6
41		2	2
42	1	1	2
43	2	1	3
44		2	2
45		3	3
46	1	2	3
47	2	4	6
48	5		5
49	1	6	7
50	1	4	5
51		2	2
52	1	1	2
53	2		2
54	1	3	4
55		1	1
56		1	1
57	1	1	2
58	1	1	2
59	4		4

60	1	2	3
63	1	1	2
64	1		1
65	1	1	2
66	1	1	2
67	3	1	4
68	1	2	3
69	1		1
70	2		2
Grand Total	**88**	**112**	**200**

TABLE 2.1 Age V/S Annual Income

Row Labels	Count of Annual Income (k$)	Count of Age
18	4	4
19	8	8
20	5	5
21	5	5
22	3	3
23	6	6
24	4	4
25	3	3
26	2	2
27	6	6
28	4	4
29	5	5
30	7	7
31	8	8
32	11	11
33	3	3
34	5	5
35	9	9
36	6	6
37	3	3
38	6	6
39	3	3
40	6	6
41	2	2
42	2	2
43	3	3

44	2	2
45	3	3
46	3	3
47	6	6
48	5	5
49	7	7
50	5	5
51	2	2
52	2	2
53	2	2
54	4	4
55	1	1
56	1	1
57	2	2
58	2	2
59	4	4
60	3	3
63	2	2
64	1	1
65	2	2
66	2	2
67	4	4
68	3	3
69	1	1
70	2	2
Grand Total	**200**	**200**

TABLE 3.1 Spending Score

Row Labels	**Count of Spending Score (1-100)**
18	4
19	8
20	5
21	5
22	3
23	6
24	4
25	3
26	2
27	6
28	4
29	5

30	7
31	8
32	11
33	3
34	5
35	9
36	6
37	3
38	6
39	3
40	6
41	2
42	2
43	3
44	2
45	3
46	3
47	6
48	5
49	7
50	5
51	2
52	2
53	2
54	4
55	1
56	1
57	2
58	2
59	4
60	3
63	2
64	1
65	2
66	2
67	4
68	3
69	1
70	2
Grand Total	**200**