Study on Consumer Buying Behavior in Shopping Malls

Mitushi Singh
Research Scholar
BHU
Varanasi

Dr. S.K. Dubey
Associate Professor
BHU
Varanasi

Abstract

From eyeballs to footfalls - the human psyche has taken a complete downward journey in the last five years. If it was eyeballs (number of visits to websites) during the dotcom boom of 2000, now it is footfalls (number of visitors to malls). The study of consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. The field of consumer behavior covers a lot of ground. Buyer behaviour is deeply rooted in psychology with dashes of sociology thrown in just to make things more interesting. Since every person in the world is different, it is impossible to have simple rules that explain how buying decisions are made. But those who have spent many years analysing customer activity have presented us with useful "guidelines" in how someone decides whether or not to make a purchase. The paper focuses on the awareness level of consumers regarding their buying behaviour in shopping malls and their level of satisfaction in this regard.

Introduction

For the Indian mass affluent, the call of the mall is proving irresistible. Malls increasingly dot the urban Indian landscape and their packed parking lots, busy food courts and restaurants, crowded anchor stores and noisy gaming arcades bear testimony to this alluring call. Some would call it consumerism in action; we call it the celebration of mass affluence.

The secret of the lure of the mall lies in its mass appeal - it has something on offer for everyone in the family. There is a wide range of shopping experiences - bargains and discounts or high-end brands for couples, gaming and other amusement facilities for kids, a large choice of cuisines for family meals, and, of course, the multiplex theatres. In many ways, malls reflect the state of our society and act as agents of change. Rising incomes and busier lifestyles are creating the space for malls in the lives of the urban mass affluent.

Leisure time is limited and a visit to the mall can do a lot for a busy family - domestic chores like grocery shopping are taken care of and food courts and restaurants save the bother of cooking dinner after hectic shopping apart from keeping children entertained.

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“Malls are fast identifying customer needs to serve them better,” and changing Indians’ buying behaviour. “People don’t mind spending money on branded, good quality stuff.”

“Malls provide a composite shopping experience and save a lot of time as we get almost everything under one roof.” With their roomy, stylish and glittering interiors, a wide range of stores in one place and handy fast-food outlets, malls are becoming the ideal place to hang out, in the view of millions of urban Indians, particularly the young. The problem for retailers and mall operators is that those crowds of youngsters and family groups strolling along and gazing at all the pretty things are often not buying. India’s malls generally are not yet making a profit.

Combine this with the consumer’s rising purchasing power and his increasing focus on value proposition rather than just price, and malls suddenly start becoming more relevant.

A large, young working population; nuclear families in urban areas; growing numbers of working women and opportunities in the services sector are the key growth drivers of the organized retail sector. The number of Indians below the age of 34—the malls’ chief hope for the future—is 728 million, almost 70 percent of the population, according to the Indian government. These youngsters meet up with friends at casual restaurants in the malls such as Café Coffee Days and Barista, each vying to be the Starbucks of India. More young people also view shopping—or “window-shopping” without buying—as an enjoyable pastime.

The Genesis

The opening of the South dale Center in the Minneapolis suburb of Edina, Minnesota, in October 1956 heralds the beginning of mall mania in USA.

South dale, the brainchild of Austrian-born architect Victor Gruen, was the first fully enclosed, climate-controlled shopping center with a two-level design.

A refugee who had fled the Nazis and arrived in New York in 1938, Gruen was regarded as a pioneer in modern store design. His plan for South dale, which would serve as a blueprint for future malls across the United States, encouraged shoppers to spend more time at the center.

By 2000, there were more than 45,000 shopping malls in the United States, with 5.47 billion square feet of gross lease able space.

Nancy E. Cohen, author of America’s Marketplace: The History of Shopping Centres, writes that between 1860 and 1910, “such merchants as John Wana-maker in Philadelphia, R.H. Macy in New York and Marshall Field in Chicago built multi-story retail palaces, where attentive sales clerks fit calfskin gloves, cut yards of lace and fetched an array of merchandise for the carriage trade.” But the modern shopping center had its genesis in the 1920s, according to the New York City-based International Council of Shopping Centers (ICSC).

The concept of developing a shopping district away from a downtown is generally attributed to J.C. Nichols of Kansas City, Missouri. His Country Club Plaza, which opened in 1922, was constructed as the business district for a large-scale residential development. It featured unified architecture, paved and lighted parking lots, and was managed and operated as a single unit.

In the 1930s and ’40s, Sears, Roebuck and Co. and Montgomery Ward set up large freestanding stores with on-site parking away from the big cities. In 1976, the country’s first urban vertical mall, Water Tower Place, opened in Chicago on Michigan Avenue. To many industry experts, this mall with its stores, hotel, offices, condominiums and parking garage, remains the pre-eminent mixed-use project in the United States.

During the 1970s, a number of new formats and shopping center types evolved. In 1976, the Columbia, South Carolina-based Rouse Co. developed Faneuil Hall Marketplace in Boston, which was the first of the festival marketplaces—a mall created in a historic location. Four years later, buoyed by its success in Boston, the Rouse Co. opened Harbor Place in downtown Baltimore, Maryland, with new buildings constructed along a historic waterfront. In Washington, D.C., Union Station is an example of a festival marketplace.

The 1980s was a period of unparalleled growth in the shopping center industry, with more than 16,000 centers built between 1980 and 1990, according to the ICSC. By the 1990s, factory outlet centers—like Potomac Mills on the outskirts of Washington, D.C., and a major tourist attraction in Virginia—were among the fastest growing segments of the industry.

The ICSC reported that in 2000, America's shopping centers served 196 million customers a month. They employed more than 10.6 million workers, which is about eight percent of the non-farm workforce in the country.

After 9/11, residents in Everett in Washington State, gathered at the Everett Mall, where an open space was converted into a memorial to those who died in the attacks. (AS)

Need for the Study

Malls are also bringing about profound changes in the way the mass affluent household spends. Take the case of groceries. It is common to find many families doing their monthly grocery shopping at malls and paying by cards. Five years back, the same exercise would have been carried out in a small neighbourhood store with cash.

With malls so much in demand, it is no wonder that their number is expected to go up from 158 in 2005 to 600 in 2010. According to a study by Images Group Retail, the size of organised retail, of which malls form a very significant part, is expected to grow from Rs 38,000 crore (Rs 380 billion) at present to Rs 100,000 crore (RS 1,000 billion) by 2010 - a jump of 2.8 times. This will be driven by the rising incomes from continued economic growth, easy availability of credit cards and a demographic composition that favours spending in malls, namely, more than 80 per cent of the population aged under 45 and 50 per cent less than 25.

As Indians keep discovering malls, the retailers will also discover what they want and evolve the malls. "In the near future, there will be a clear-cut categorization of malls. There will be premium, luxury and value malls and existing formats will change radically according to size and category,"

Literature Review

The present study is aimed at knowing the perception regarding behavior of consumers in big shopping malls. Shekhar M.Raj (2005) conducted a Study on The Changing retail Scenario in India. The big question that has been answered by the research was that whether the hegemony of high streets over Indian retail can continue. Glitzy malls are coming up by dozen all over the country. With their snazzy interiors, an offering that is a mix of shopping, entertainment and leisure, and facilities like packing and childcare, the malls are beginning to pull the traffic from the traditional markets. Today the retailers are threatened from these malls. They are wondering whether they should move to these malls. Quiet changes however are already taking place in the way generation of India have shopped. Today we are much more comfortable with the quality the brands are connote than the word of a shopkeeper about the quality of product. Besides as the cities grow outward and the urban lifestyles hard become hectic. More families now prefer to shop on weekends, preferably not too far from the home and away from madden crowds and even more madding parking attendants. So it is showing that now Indian consumer is ready for organised retail.

Shah (2001) reported that imagine kerela is the home to the largest organized retail chain in the country, there is margin free market (MFM), a 160- store chain selling almost everything from electronic and electrical appliances to food products, beverages, FMCG's, stationery and goods. It boasts of a Gross turnover of Rs. 500 cr. For the year ended 2000.

Poviah and Shirali(2001) were of the viewpoint that shopping malls are classic self service 4000-20000 sq ft. stores with shopping carts, as popularized in India by crazy boys film, with typical focus on regular groceries, household goods and personal care products. India is namely a groceries market and here, shopping malls have not been able to eat into the business of kirana shops.

According to the new study by (Economic times intelligence group) 2001 which has been published in the book "retail images". The organised retail industry is expected to grow by 30% in the next five years. Today most of these countries have all the major international retailers and have an equally impressive list of homegrown retailers. Huge retail formats with high quality ambience and very courteous and ambivalent sales staff, are regular features of retail formats in these countries. However in India except for a few big towns where modern retailing formats abound, these features are grossly missing.

Das(2000) revealed that the Indian situation is rather paradoxical. At $180 billion, the Indian retail business contributes 10-12 percent of the GDP higher than some western economies, where it averages 8 percent. At 12 million outlets, India boasts the world's largest retail network, its closet's closet competitor being Mexico at 1.18 million. This also translates into India having the world's thickest density of outlets in the world at 5.55 for every 1,000 people between 12 million retail stores, India's per capital retail space is dismissal 2 sq ft per person.

Objectives of the Study

- To study the awareness level of consumers regarding shopping from malls.
- To study factors influencing consumers decision to visit shopping malls.
- To know the reasons for particular customer brand preference.
- To understand the mall patronage patterns in the frequency of visits, time spent.

Research Methodology

Research Design

In the present study the researcher has used structured questionnaire having close ended questions to gain the listeners insight, what all are the factors which influence their buying behavior. Research design indicates a plan of action to be carried out in connection with a proposed research work.

Data Collection Method

As our research was both qualitative and quantitative in nature, interviews with help of questionnaires method were applied to collect the primary data. The descriptive analysis is used for data analysis of primary data collected by way of questionnaire. The descriptive analysis would include the pictorial graphs such as pie charts.

Sample Size: 100

Location: New Delhi, NCR.

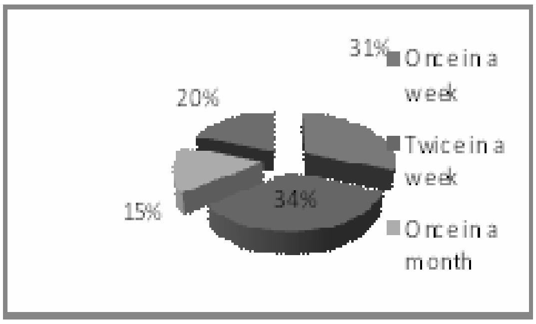
Data Interpretation

Interpretation refers to the task of drawing inference from the collected facts after an analytical study. Simple statistical tools were used to analyze the data. Pie Charts were used to present the findings diagrammatically.

Data Analysis Based on Samples of Questionnaire

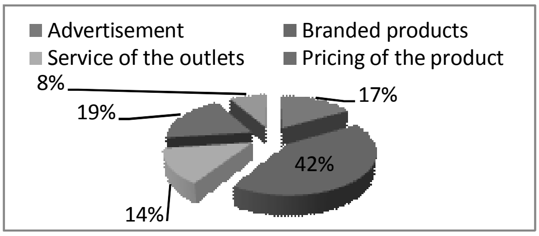
Options	Responses	Percentage
Once in a week	56	31
Twice in a week	64	34
Once in a month	28	15
Twice in a month	36	20

Frequent visits to the shopping Malls.
Fig.1 The above data reveals that majority of customer visit shopping malls twice in a week.



Options	Responses	Percentage
Advertisement	34	17
Branded products	86	42
Service of the outlets	28	14
Pricing of the product	38	19
Goodwill of the outlets	17	8

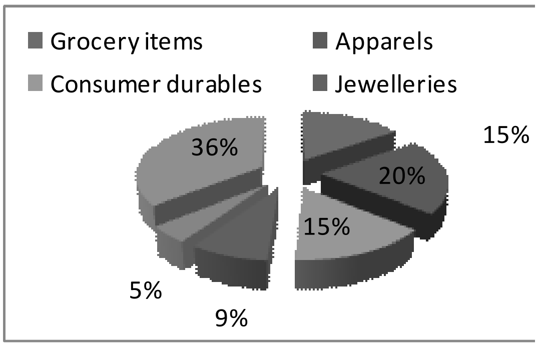
What attract you to visit these Shopping Malls?
Fig.2 It reveals that majority of customer visit shopping malls for branded products.



Options	Responses	Percentage
Grocery items	36	15
Apparels	48	20
Consumer durables	36	15
Jewelleries	20	9
Luxury products	22	5
Food court/ eatables	84	36

Normally what kind of product you use to buy from these Shopping Malls?

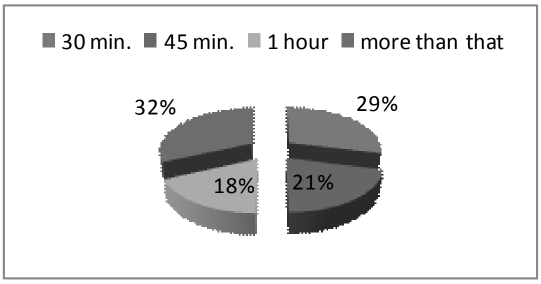
Fig 3. Generally the customers visit the shopping malls for food court/eatables followed by purchase of apparels.



Options	Responses	Percentage
30 min.	58	29
45 min.	42	21
1 hour	36	18
More than that	64	32

Normally how much time you spent in shopping mall in a single visit?

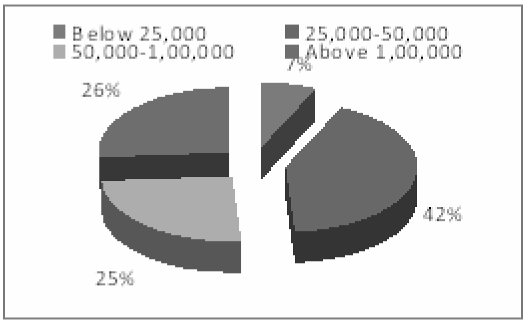
Fig 4 Most of the **c**ustomers spend more than one hour in a shopping malls.



Options in Rs.	Responses	Percentage
Below 25,000	14	7
25,000-50,000	84	42
50,000-1,00,000	50	25
Above 1,00,000	52	26

Your monthly family income lies in between?

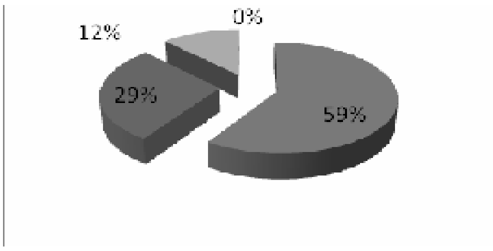
Fig5 Maximum customer family income lies between Rs. 25,000 - 50,000.



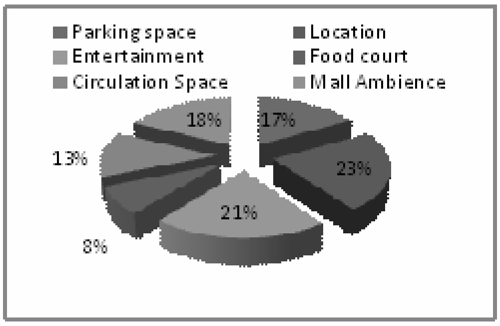
Cash	116	59
Debit card	56	29
Credit card	24	12
Credit	0	0

What is your mode of payment for the product you normally purchase?

Fig 6 Even today the most popular mode of payment is cash followed by debit cards.



Options	Responses	Percentage
Parking space	34	17
Entertainment	42	21
Food court	16	8
Circulation space	26	13
Mall Ambience	36	18
Location	46	23



How far the infrastructure facilities of these shopping Malls attract you to visit and purchase?

Fig8 reveals that maximum customer attract with malls because of location. Some of them said that entertainment provided by malls attract them to visit and purchase.

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Parking space	34	17
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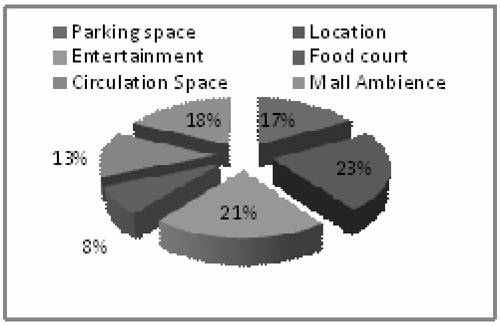

How far the infrastructure facilities of these shopping Malls attract you to visit and purchase?

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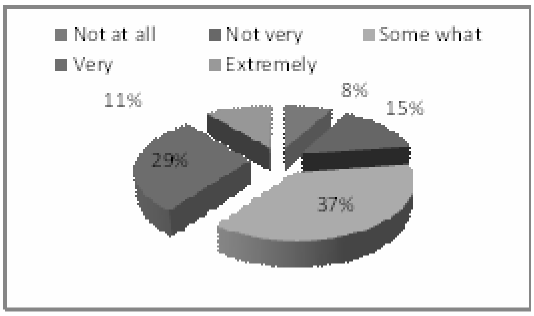
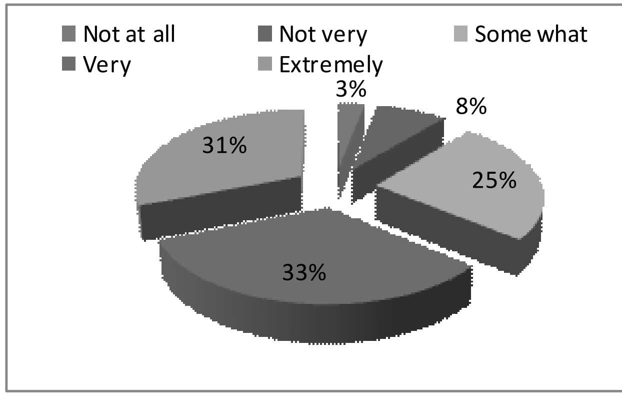
Options	Responses	Percentage
Not at all	16	8
Not very influenced	30	15
Somewhat	74	37
Very influenced	58	29
Extremely	22	37



How far you are influence with merchandising of retail outlets in the shopping mall?

Fig 9 reveals that maximum customers said they are somewhat influenced with the merchandising of retail outlets in shopping malls.

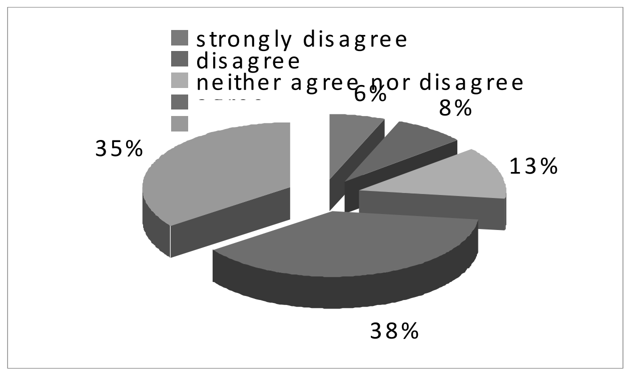
Options	Responses	Percentage
Not at all	6	3
Not very	16	8
Somewhat	50	25
Very	66	33
extremely	62	31



Do you feel that frequency of your visit or purchase increase in festival time?

Fig 10 data reveals that most of the customers are very much in favor of the frequency of their purchase increase in festival time.

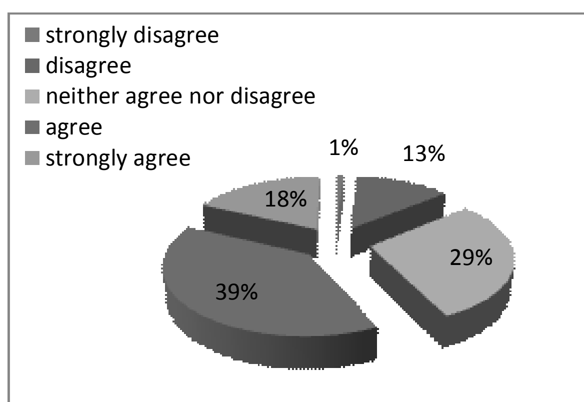
Options	Responses	Percentage
Strongly disagree	12	6
Disagree	16	8
Neither agree nor disagree	26	13
Agree	76	38
Strongly agree	70	35



Discount offers and various schemes offered by retail store affect your buying behaviour?

Fig 11 reveals that most of the customer strongly agree with the discount offer and various scheme offered by these retail stores in shopping malls affect their buying behaviour.

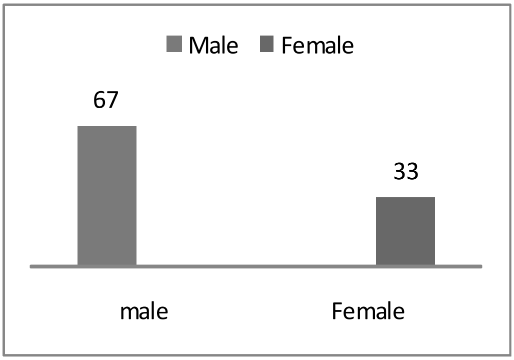
Options	Responses	Percentage
Strongly disagree	2	1
Disagree	26	13
Neither agree nor disagree	58	29
Agree	78	39
Strongly agree	36	18



Various promotion activities regarding product motivate to buy?

Fig 12 reveals that most of the customer agreed that various promotional activities regarding products motivate them to buy. Some of them neutral i.e. neither agree nor disagree with that statement.

Age Groups	Responses	Percentage
20-30	132	66
30-40	26	13
40-50	16	8
50 above	26	13



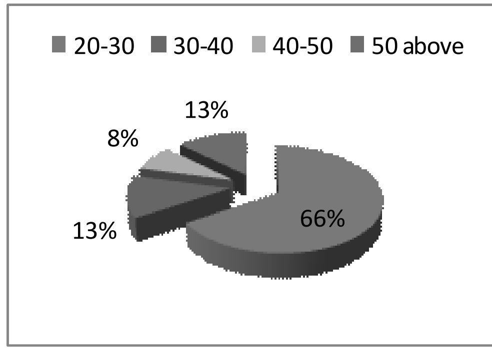


Fig 13 data reveals that most of the customers which researcher has approached lies under 20 – 30 age group. The result shows that customers under 20 – 40 age group frequently go to the retail outlets for shopping.

Results Findings

Maximum customer responded that behaviour of salesperson of these retail stores affect their buying behaviour.

As data reveals that most of the customers agreed that various promotional activities regarding products motivate them to buy.

As data reveals that most of the customers agreed that various promotional activities regarding products motivate them to buy.

Maximum customer strongly agreed that the discount offers and various scheme offered by retail outlets affect their buying behaviour.

On the basis of survey the researcher found that most of customers agree that frequency of their purchase increases in festival time.

Maximum customers responded that these retail stores give personal attention to their customer.

On the basis of responses, it was found that maximum customers were of the opinion that these retail outlets provide a somewhat value for their money.

Maximum customers are influenced with the ambiance of these retail stores as the environment of retail stores influence their buying behaviour.

Maximum customers are satisfied with the after sale service provided by these retail outlets.

As data reveals that maximum customer buy the product from these retail outlets for their family and for themselves.

Maximum customers prefer Indian brand offered by these retail stores though they also show some interest in International brands.

As data reveals that maximum customers generally buy eatables, apparels, customer durables and grocery items from these retail stores.

The data clearly reveal that the middle income group between Rs. 25,000 – 50,000 per month is the biggest cliental for the organised retail outlets.

Retail customer in Indian retail market is very careful about their purchases.

Organized retail sector has only 4% share in Indian retail market.

Most of customers agreed that the person with whom they go for shopping influence their buying behaviour.

Maximum customer responded that organized retail stores have clean, attractive and proper space (restrooms, fitting rooms), which is of important to them.

Conclusions

The primary data analysis revealed that the majority of respondents have been aware of shopping malls and they visit the shopping malls. Majority of the respondents are influenced to visit shopping malls due to the availability of different brands. The study also revealed that most of the respondents visit shopping malls twice a week. Maximum of the respondents usually purchase apparels from the shopping malls.

Majority of the shopping malls are following the sales promotion like free gifts, coupons, discounts.

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