



## ‘ SHOPPING MALLS ’ A GROWING PHENOMENON IN INDIAN RETAIL INDUSTRY AN EMPIRICAL STUDY OF CITIES OF CHENNAI AND COIMBATORE

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### Introduction

The Indian retail sector is one dynamic category that is flourishing day-by-day. It has not only made ways for itself at the nook and cranny or high streets only, but in the past two decades, it has grabbed maximum attention at the shopping malls for consumers & entrepreneurs. India is now developing into a retail power where both organized and unorganized retail sector compete with each other. The traditional retail consists of small retailers like local Kirana shops, general stores, medical stores, footwear stores, apparel shops, hand-cart hawkers and footpath vendors. As the economy has started growing in India, retail sector has also started modernizing and growing. Some of the major industrial houses like Reliance Industries, Bharti group, Aditya Birla group and Tata Trent have entered this sector.

The organized retail trend started in India in 1999 with the launch of Ansal's Plaza in Delhi, which was followed by Crossroads in Mumbai and Spencer Plaza in Chennai. Until the end of 2002, only three shopping malls existed in India. Post 2003, mall culture started multiplying in the metros. Cities like Mumbai, Bangalore, Kolkata, Chennai readily accepted the mall culture and so began a trend that was to catch on extremely fast. India accounts for 570 operational malls ( as of May 2013 ) which is a phenomenal growth.

### Shopping Malls Culture

A shopping mall, shopping Centre, shopping arcade, or simply mall is one or more buildings forming a complex of shops representing merchandisers, with interconnecting walkways enabling visitors to easily walk from unit to unit, along with a parking area a modern, indoor version of the traditional marketplace. Shopping centre has become the fashionable, dynamic, and bright life centre that fulfils various requirements of customers.

This research has been conducted to find out the existing positioning strategies of malls, factors influencing positioning of malls, perceptions of shoppers regarding the positioning strategies and to bring out a model to help decision making by mall developers, retailers and shoppers.

**Chennai :** Chennai is one of the most popular shopping destinations in South India. The city has a large number of modern shopping malls for shopping lovers. Whether it's small knick knacks or the best of brands, Chennai shopping malls seem to have it all. In short, the shopping malls in Chennai offer a wonderful retail therapy experience with some of the most popular ones being Phoenix Market City, Vijaya Forum Mall, Express Avenue, Chennai City Center ,Spencer Plaza, Ampa Skywalk Mall and Abirami Mega Mall to name a few.

**Coimbatore :** Coimbatore is the second largest and the most important city in the state of Tamilnadu. The city has considerable metropolitan population and is a major commercial center. The concept of shopping malls picked up pace in the last few years. The keen interested showed on the path of developers and retail chains to set up shop in Coimbatore are also encouraging this trend. The Manchester of south Indian Coimbatore offers some of the grandest shopping malls that come with the most exclusive range of indigenous and international brands. The shopping centers of the city can be considered to be the best in terms of international standards. Some of the most popular malls being Brookefields Mall, Fun Republic Mall, Prozone Mall etc.

### Review of Literature

Feinberg, Sheffler, Meoli and Rummel 1989 considered the social stimulation provided by malls, finding that the mall served as an outlet for social behavior. Shopping malls are designed to persuade users to adopt certain physical and social behavior related to shopping. Goss, 1993 This makes both the social and physical environments of the mall crucial in shaping user behaviour.



Bloch et al., 1994; Roy, 1994 demonstrated that consumers mainly visit go to shopping malls for entertainment purpose, boredom relief, get together, interaction with friends, fun, relaxation and freedom from concerns about personal safety, and to make comparison shopping.

Marjanen 1997 found parking as one of the most important store choice variables. Among the visitors of supermarkets and department stores, aesthetics and ambience are considered as important factors in the context of malls atmosphere. Malls perceived to have a pleasant and moderately arousing atmosphere are likely to be more favored by shoppers.

Anselmsson (2006) in his study found selection as the most important determinant of shopping mall choice, followed by atmosphere / ambience of the mall and third most important determinant of satisfaction was convenience, which includes opening hours, parking, ease-of-movement and ability to find one's location in the mall

Rathod and Patel (2008) attempted to know the importance of different criteria for the selection of retail outlets amongst the customers. They found that availability of variety has been given highest importance by customers, second priority has been given to service quality and third most important criteria is convenient location.

### **Objectives**

1. To analyze the buying behavior pattern vis-à-vis demographics of the consumers in shopping malls.
2. To examine the percentage translation of footfalls into actual purchase behavior and factors affecting it.
3. To study the effect of location while deciding on a shopping mall.
4. To suggest ways for improving mall management.

### **Research Methodology**

#### **Scope of Research**

The survey is restricted to two cities of Tamilnadu - Chennai and Coimbatore. Large consumer base with huge spending power ,paved the way of selecting the two cities for the research process.

Four shopping malls from Chennai namely Phoenix Market City, Vijaya Forum Mall, Express Avenue, Chennai City Center and three shopping malls from Coimbatore namely Brookefields Mall, Fun Republic Mall, Prozone Mall were selected to form the part of the research.

#### **Sample Universe**

The sample universe for the survey consist of the people visiting the malls (whether they have purchased something or not).The selection of the shopping malls was based on the convenience sampling, according to the area visited.

#### **Sample Size**

A Total Of 200 Respondents were taken from both the cities, visiting the shopping malls (whether they have purchased something or not) were made part of the study.

#### **Tools for the Questionnaire**

Primary data has been collected by survey method using structured questionnaires from mall shoppers .Secondary data of the study has been collected from EBSCO, ABM INFORM, Google, mall websites, retail magazines and reports of various retail consultants like Knight Frank & McKinsey.

### **Major Findings**

#### **Entertainment**

Presence of different kinds of specialty entertainment facilities like snooker, bowling, movie theatre etc. has a vital importance for the attraction of participants. People want things like sport centers, dance clubs, restaurants and cafe. Additionally, play area for kids should be present. . It is very obvious that if the individuals do not enjoy being in a mall, then they shop quickly or do the activity for which he is there and return back quickly.

#### **Location and Accessibility**

People prefer that the shopping mall should be present near to their home so they can easily go there whenever they feel like. People do not like to visit a specific retail outlet because most of them are presented in the crowded areas of the city. They also look out for spacious malls with enough parking facilities.



### Merchandizing

The number of stores and product variety is very important but not enough to be a differentiating attribute because almost all the malls have similar merchandising assortments. People want malls to reflect their own styles, besides this they want stores to rejuvenate themselves because they can get bored quickly. People usually want that there should be quality products as well in addition to clothing, footwear and restaurants and multiplexes variety of stores like magazines store, gift shop, accessories store, sportswear etc should be present within the shopping malls.

### Buying Behavior

Different types of people visit shopping mall. It is not always that they will buy. People in Chennai frequently buy whenever they visit a mall followed by always buying behavior. The article also shows that most of the Coimbatore crowd often spends during their visits to a shopping mall followed by frequent buying.

### Clientele

People going shopping, to malls in particular, is a kind of social activity. Thus, in this social activity they want to see people like themselves. So, peer influence in this case seems to be very important; they tend to choose places that are popular among their peer group.

### Reasons for Visiting Shopping Mall

People visit shopping mall for various reasons. Some prefer malls being situated near to home; some feel the layout of the mall as well as the shops present within the mall should be good. About 37% of the visitors feel that an ideal shopping mall should have enough shops so that they can access similar type of retail outlets before they actually buy.

### Frequency of Visit to Shopping Mall

Frequency of visit	Age					Total
	< 20	20-30	30-40	40-50	>50	
Once in a Week	14	10	7	5	4	40
Once in a Month	20	50	8	11	7	96
Twice in a Month	15	5	20	2	2	44
Once in three Months	5	6	5	2	2	20
	54	71	40	20	15	200

The study suggested that a particular age group has no bearing on frequency of visit to a shopping mall.

### Relationship between Age and the Reason for Visiting a Mall

Activities	AGE					Total
	<20	20--30	30--40	40--50	>50	
Shopping	25	40	17	14	2	98
Watching movie	16	25	4	8	4	57
Restaurant & café	6	6	2	0	0	14
Entertainment	4	2	2	3	0	11
Hangouts	7	10	2	1	0	20
	58	83	27	26	6	200



The study suggested that there is a significant relationship between the age and the activities in which a customer indulges while he visits a shopping mall.

**Relationship between monthly income of individual and his frequency of purchase on his visits to shopping mall**

Frequency of buying	Monthly Income					Total
	<15000	15000 - 5000	25000-35000	>35000	N.A	
Always	0	12	14	6	16	48
Frequently	2	9	12	8	39	70
Regularly	2	7	10	10	27	56
Seldom	0	4	5	2	15	26
	<b>4</b>	<b>32</b>	<b>41</b>	<b>26</b>	<b>97</b>	<b>200</b>

The study revealed that the monthly income of an individual has a bearing on the frequency of buying during the visit to a shopping mall.

**Relationship between the occupation of the visitors and the buy/ purchase activity of an individual**

Frequency of buying	Occupation					Total
	Student	Homemaker	Service	Business	Retired	
Always	14	16	12	10	0	52
Frequently	34	18	10	4	2	68
Regularly	26	18	5	5	0	54
Seldom	16	5	5	0	0	26
	<b>90</b>	<b>57</b>	<b>32</b>	<b>19</b>	<b>2</b>	<b>200</b>

The study revealed that a particular occupation of the individuals visiting the mall has a bearing on the buy/purchase activity.

**Suggestions and Recommendations**

- Shopping mall should be situated in good accessible locality but should also be close to the city.
- Malls with multiplexes should offer “weekday specials” or “weekend specials”.. Special entertainment events should be organized held like fashion shows, concerts, celebrities signing autographs, FM Radio or TV shows etc.
- Special promotional activities may be conducted on weekdays to avoid rush on weekends, so as to increase the number of footfalls in the weekdays, in which a great disparity was seen between the weekend and weekdays figures.
- Malls should revive its layout from time to time as people get bored by repeated visits.
- Shopping malls should have big, easy and comfortable parking area. Free parking facility should be provided to the regular / heavy purchase customers.
- In addition to high price and branded stuff low price products should also kept thus targeting customers of every class but no compromise should be made on quality.

**Conclusion**

The information thus collected from the respondents of the study presented the prevailing situation of shopping malls in Chennai and Coimbatore. Because of the changing consumer moods, increasing purchasing power and more frequent visits of teenagers, entrepreneurs have developed new formats for providing merchandize and services ranging through the shopping malls. With this aspect in mind, we have studied the shopping malls and tried to track the relationship between the shopper’s behavior and various attributes of shopping malls that attract them.

It was observed that there is a significant relationship between the age, occupation, monthly income and the activities in which a customer indulges while he visits a shopping mall.



Shopping malls are in phenomenal growth stage in these two cities of Tamilnadu , this can be seen from the increasing competition and the emergence of new malls day by day. Under this condition, it is vital for shopping malls to differentiate themselves or else their customers can get attracted or captured by the newest shopping malls. However the participants of the survey wanted change and capturing them depends on being open to new trends, especially entertainment and merchandizing.

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