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CONSUMER ATTITUDES TOWARDS SHOPPING MALLS IN INDIA

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ABSTRACT

The last decade has witnessed dynamism in Indian retail sector. Various urban areas have been at the center of attraction with emergence of different kinds of organized retail formats gaining momentum. It is largely due to rising income, increasing purchasing power, credit facilities, changing pattern of consumer behaviour and increased consumer awareness. Retailing has emerged as one of the most important sectors of Indian economy beyond the 90s. A large number of retail model retail formats have come in force offering a wide spectrum of merchandise and services. The professional orientation and incorporation of various technology-enabled softwares has offered these retailers better customer relationship management, merchandise offering, store atmosphere and inventory management.

More & more corporate houses including large real estate companies are coming into the retail business, directly or indirectly, in the form of malls and shopping centers. New formats like hyper markets and large-discount-no-frills supermarkets have started influencing the traditional looks of the bookstores, furnishing stores and even chemist shops.

KEYWORDS- *Consumer, Retail, Hyper market, Inventory Management*

INTRODUCTION

Retailing as a concept is not new in India. In fact, it dates back to the period of hardcore traditional formats of retailing that prevailed in the form of Haats, Weekly Bazaars and the famous kirana stores or 'BaniyekiDukan'. It is only during recent past that Indian retail sector is witnessing a process of change and is poised to undergo dynamic transformation. India is now developing into a retail power where both organized and unorganized retail sector compete with each other. The Indian retail market, which is the 5th largest retail distribution globally, according to industry estimates, is poised to grow from approximately US\$ 427 billion in 2010 to US\$ 637 billion by 2015 (Bhalla&Anurag, 2010). Simultaneously organised retail which presently accounts for 4% of the total market is likely to increase its share to 22% by the end of 2010 (Bhatnagar, 2009). India has one of the largest

numbers of retail outlets in the world. Of the 12 million retail outlets present in the country, nearly 5 million sell food and related products. The projected annual growth rate of this segment of the retail market till 2013 is slated to be over 30 per cent. As a result, its share in total retail market is expected to be around 27 per cent by 2018.

Malls are an upcoming trend in Retail market. The concept is based on constructing centrally air-conditioned malls and renting the floor space out to individual shops. Shoppers use the same parking facilities and there is a combined brand pull of all outlets. Malls inspire fashion-based shopping, as distinct from the need-based shopping inspired by super-markets and discount stores. Malls seek to position themselves as destination shopping locations.

Mall culture in India and especially in Delhi & NCR has grown with an incredible pace, though this culture was already existent for the past several years in other major cosmopolitan cities like Mumbai, Bangalore, Chennai etc. Just a few years back, people had to make a choice among shopping, movies or hanging out on a holiday but thanks to our malls, all these jobs can be performed at the same time, under the same roof and that too with a wonderful experience. And it is basically the experience and not the intention that counts when it comes to malls. The reason why shopping malls are so popular lies in their international appeal. It seems to be a thing of history when shopping malls had their presence only in places like Singapore and Dubai. In fact, now they are everywhere around us. People find these malls to be the best place to shop or hang out in summer heat as they offer free entry to a completely air conditioned complex with good music playing all around and loads of window shopping opportunity which is appreciated by one and all. Not to forget the numerous food joints that serve different cuisines meant to magnetize the taste buds of all the foodies. Though malls are equally popular among all ages, the true lovers are the youngsters for whom malls are the 'ultimate place to be'. These malls serve their various purposes like shopping, watching movies, dating or just to hang out though they really don't need a purpose for being there. These malls have also come up with different ways to cater to their target visitors like some of them have discos where the Gen-X get a chance to chill-out during nights.

OBJECTIVES

The following were defined as the objectives for the purpose of conducting the research

1. To study the theory and concept of professional and effective mall / hypermarket management – the critical success mantra for a shopping arcade today.
2. To analyze the factors responsible for the translation of footfalls into actual buying behaviour in increasingly complex retail globe.
3. To establish the decision making criteria of mall / hypermarket shoppers with respect to promotional strategies and tools.

RATIONALE OF THE STUDY

So what actually is going on in Mall Land India – van-guard of the country’s burgeoning consumerist economy? Research suggests that malls – the physical expression of a society’s retail desire – are booming. But the harsh truth is that what such reports reveal may be interesting but what they don’t is critical – that the heady gold-rush days for retail are clearly over. Oversupply, fierce competition, high rentals, poor infrastructure and shoddy marketing are just some of the problems that are dogging these cathedrals of consumerism. Beneath the gleaming façades, colour coded displays and nattily turned out shop assistants, there is a hum of unrest. Success stories still abound, but tales (often untold till now) of vacant lots, lost investments and shattered expectations are growing with every passing day. The only exception seem to be big cities like Mumbai and Chennai, but not because retailers here have hit upon a clever business model; rather it’s because they don’t have too many malls and the ones that are there are still novel enough for shoppers.

RESEARCH METHODOLOGY

The study has also tried to investigate the factors which can possibly lead to the expansion of loyalty concept to include preference for a shopping mall – deciding where to buy in an increasingly complex retail mall globe and simultaneously delve into the future of Mom ’n Pop stores and consequently investigate the changing paradigms and emerging challenges of retail centric projects. There is a sharp and contrasting transformation in consumer behaviour in accordance with Indian retail trends and hence this research has tried to find out the shoppers’ retailing attitudes and behaviour in shopping malls, along with the Mall Managers’ perceptions and Mall Promoters’ views about the changing landscape of Indian Retail.

On the other hand, this research has also tried to gain an insight into the changing preferences of the people towards new-age, trendy, swank and ultra modern multiplexes from the cinema houses of yore.

Inspite of the higher ticket costs and besides the extra money they have to shell out on parking, eatables etc, people have swarmed the multiplexes and taken to this trend in a big way. This study has tried to examine the reasons for this transformation of the mind sets of the common man. Moreover, this study has also attempted to investigate the competition posed by the ‘No Frills’ lifestyle stores and the hypermarkets like Big Bazaar, Easy Day etc towards the shopping malls, and whether the former poses any threat to the latter. Apart from this, the advent of the ‘theme malls’ or ‘niche malls’ has also been examined and their chances of survival in the typical price sensitive Indian market.

DATA ANALYSIS

To give more insight to the research and have an insider's view of how the retailers and the shop owners perceived the customer's behaviour and what were the influencing factors behind the reason that could translate the footfalls into purchase decisions, 50 mall retailers were interviewed and administered questionnaires. These mall retailers were the persons, who owned any shop or were a franchisee holder of a retail chain located in the shopping mall. 40% of these shop owners had been operating their outlets in the said malls for the last 1 – 2 years.

The highest frequency customers were mostly the movie buffs who regularly visited the malls and the visitor who frequented the food outlets and also the clothing outlets as well. The general frequency of buying goods or consuming services was quoted to be highest for often buying (cited by 63 retailers) closely followed by frequently buying (cited by 61 retailers).

On being enquired about the number of floors in their buildings, 60% managers replied that they had 3 floors along with 2 basement levels. 20% each replied they had a building having 2 floors or 4 floors with basements. Similarly, 60% of them replied that their building had parking on the ground floors along with 2 basements reserved exclusively for parking only, while 20% said they had parking only on the ground floors, which was mostly the case with all the hypermarkets.

CONCLUSION

The burgeoning of shopping malls and hypermarkets in India has almost been a revolution till now. But now they have become a way of life in our country. Malls and hypermarkets are redrafting and rephrasing the rules, developing a constitution of their own and are converting the basic need for recreation and shopping activity into a unique parameter or criteria for judging one's lifestyle statement. Middle class Indians have broken off their love of traditional stand-alone Indian stores that have no air conditioning, organized parking and other public amenities. Our sparkling new malls symbolize India's growth from a stagnant third world country to an emerging economic superpower living up to all the advertising adjectives that the world has been showering upon. India is now the new hub of the mall culture lovers. Shopping malls, which witnessed a dip in profits after the global recession are now back to wooing elusive customers. This mall boom is now correcting itself, with shopping malls sprouting in each and every corner of the cities, people have become aware of the holes in their pockets are becoming larger, in turn 80% of the malls have failed with only 15–20% visitors converting into shoppers.

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