International Journal of Business and Management Invention
ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X
www.ijbmi.org Volume 2 Issue 5 ǁ May. 2013ǁ PP.30-36

Shopping Malls: The Changing Face Of Indian Retailing –An Empirical Study Of Cities Of Ludhiana And Chandigarh

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I. INTRODUCTION

Retailing as a concept is not new in India. In fact, it dates back to the period of hard-core traditional formats of retailing that prevailed in the form of Haats, Weekly Bazaar and the famous 'kirana' or 'Baniya ki Dukan'. 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 Traditional Retail Formats

Indian retail sector is pre-dominantly controlled by traditional and unorganized formats of retailing. The traditional 'kirana' shops (a.k.a. mom–n–pop stores) still enjoy the leadership and commanding position in retail trade. In smaller towns and urban areas we may see the power of small family run independent stores offering a wide range of merchandise mix. These store formats are traditional and do not enjoy professionalism. A large number of these stores are family businesses involving more than one generation. Mostly these stores are managed by family members and in some cases even involve the services of one or two hired workers which depend upon the turnover.

Organized Formats of Retailing

The last decade has witnessed dynamism in Indian retail sectors. 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, increased consumer awareness etc.
Retailing has emerged as one of the most important sector of Indian economy since 1990s. 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 etc.
Various new and improved formats of retailing like departmental stores, supermarket, hypermarket, discount stores, convenient stores and even up-market specialty stores are no longer a dream.

Shopping Mall Culture In Punjab

LUDHIANA: Ludhiana, the industrial and financial hub, is also one of the most important education and health centres of the Northern India. Shopping malls have turned out to be the next 'in-thing' in Ludhiana and the culture is spreading like the proverbial fire. Ludhiana known for its hosiery and sports goods industries is fast emerging as a favorite destination for shopping plazas and multiplexes as a dozen malls are rapidly up coming at a cost of Rs 600 crores (approx). Retailers and developers, riding on a wave of retail boom in one of world's fastest growing economies, are adding new dimensions to the business to lure more customers.

CHANDIGARH:

Located At The Confluence Of Three Prosperous States Of North India, Chandigarh, Covers 114.59 Sq Km and has a population of 1.5 million (2010 estimated) with density of approx 8000 per sq km., boasts of being the first city in the country in terms of human development index with a literacy rate of 82 %. Chandigarh has a large Punjabi population and Punjabis are known for their lavish spending lifestyle. The people of Chandigarh are brand conscious.

Review of Literature

Mridula Velagapudi(2011) . His study presented views on Indian economy. According to his sayings Indian economy has one of the handsome economic growth rate in the world, is also witnessing boom in India's retail industry. Although the recent recession slowed down the growth for some time, it still has great prospects.

To show the extent of its scope consider this – penetration of organized retail in US is more than 85% where as in India it is just about more than 8%.

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. If a shopping centre enjoys high visiting rates, a better strategy might be to focus on present customers and build relationships by improving satisfaction management.

SL Talwar(2010) . Famous cities of Punjab like Ludhiana and Chandigarh has seen a huge shift in the mall culture. The growth of consumption in Punjab gets equal support from the urban as well as rural consumers, which indicates an immense potential for organised retail as the choice of location is not a constraint. The state's tier II and semi urban and rural towns represent a good opportunity for the retailers. The national and international retail giants, who wants to enter the food and beverage retailing business are making big investments in logistics, processing, cold chains and contract farming. The country's leading retail chains, like Reliance, Piramals, Tata, Rahejas, ITC, Godrej, S Kumar, RPG Enterprises, Future Group and other international brands and retailers, have announced major plans for the state's retail sector.

El – Adly (2007) determined the attractiveness factors of UAE shopping malls from the shoppers' perspective and then segmented shoppers according to these attractiveness factors. The study revealed six mall attractiveness factors from the shoppers' perspective: comfort, entertainment, diversity, mall essence, convenience, and luxury.

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.

Srivastava (2008) presented a picture of the changes in retail taking place in India. His paper looked at the changing scene in the retail sector in view of many MNCs and large industries entering into this segment.

The findings presented that malls are more developed in the North and West part of India. Food, groceries and apparel purchase by customers contributed to 52%. On average 75% of customers spend about 1 – 3 hours in the mall. Malls with multiplexes such as cinema theatres, food courts, play – pens for children are becoming the centre for family outings.

III. 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.

III. RESEARCH METHODOLOGY

SCOPE OF RESEARCH

The survey is restricted two cities of Punjab- Ludhiana and Chandigarh having a large consumer base with huge spending power ,paved the way of selecting the two cities for the research process.

Four shopping malls from Ludhiana namely Waves, Westend Mall, MBD and three shopping malls from Chandigarh namely Elante, DT City Center, Paras DownTown 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 **100** 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

A Structured questionnaire having close ended and open-ended questions will form the primary data collection tool from the respective respondents.

The secondary data for the study consists of magazines, research journals and internet.

Major Findings

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 wants malls to reflect their own styles beside this they want stores to rejuvenate themselves because they can get bored quickly.

From our analysis it seems that 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. Quality of products was cited as an ideal shopping mall attribute, as well as one of the major reasons for not visiting a specific small retail outlet.

Entertainment

It is well said that shopping malls are places where people can socialize with friends& family, enjoy entertainment, watch motives comfortably, shop at variety of stores or solve their loneliness or other psychological stresses. 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. Therefore only one way to keep the customers at the mall longer is to make the shopping experience more pleasant.
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, playground for kids should be present

Location And Accessibility

There is lot of competition in this shopping mall business. A large no malls are coming up in both the cities in near future. Most of them feel that the environment and vicinity around the mall should be good so that it is comfortable for them and their family to visit that place.
In addition to above it was also found that 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 like to visit a specific retail outlet because most of them are presented in the crowded areas of the city.

Clientele

From literature it is known that for 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. From the viewpoint of our participants a crowded place makes them feel uncomfortable and creates insecure conditions. While overcrowded places are very irritating for them they do not want to be empty places either. This is one reason for not visiting a specific retail outlet.

Buying Behavior

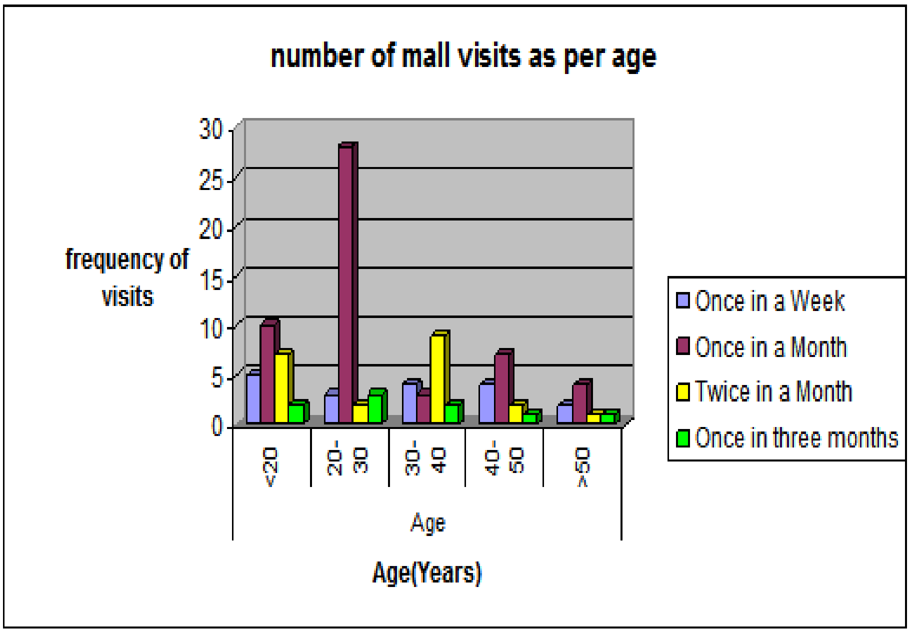
Different types of people visit shopping mall. It is not always that they will buy. People in Ludhiana frequently buy whenever they visit a mall followed by always buying behavior. The bar chart shows that most of the Chandigarh crowd often spends during their visits to a shopping mall followed by frequent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

Reasons to visit shopping mall

People visits mall due to different reasons. Some give preference to it being situated near to home; some feel the layout of the mall as well as the shops present within the mall should be good. From the about 30% of the visitors feel that an ideal shopping mall should have good number of shops so that they can access similar type of retail outlets before they actually buy.

		Age					
		<20	**20-30**	**30-40**	**40-50**	**>50**	
Frequency of visit	**Once in a Week**	5	3	4	4	2	18
	Once in a Month	10	28	3	7	4	52
	Twice in a Month	7	2	9	2	1	21
	Once in three months	2	3	2	1	1	9
		24	36	18	14	8	100

H_{01}: There is no significant relationship between the age and frequency of visit to a shopping mall.
Calculated value of χ^2 =**25.58979**
Significant at 95% confidence level at d.o.f 12
The hypothesis is that "*There is no significant relationship between the age and the frequency of visit to shopping mall*" is rejected thereby suggesting that a particular age group has no bearing on frequency of visit to a shopping mall.

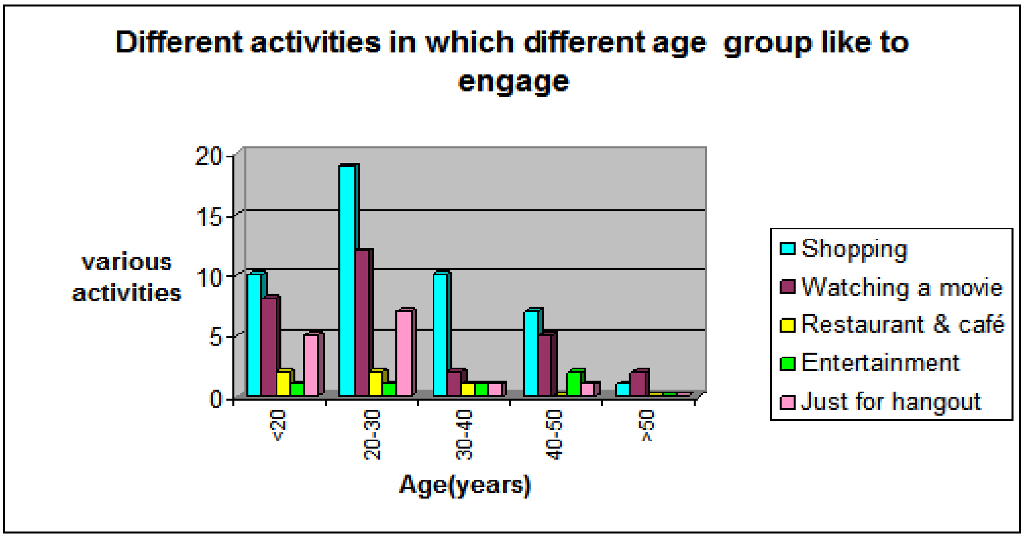


H_{02}: There is a significant relationship between the age and the Activities in which a customer indulges while he visits a shopping mall

		AGE					
		<20	**20-30**	**30-40**	**40-50**	**>50**	
Activities	**Shopping**	10	19	10	7	1	47
	Watching a movie	8	12	2	5	2	29
	Restaurant & café	2	2	1	0	0	5
	Entertainment	1	1	1	2	0	5
	Just for hangout	5	7	1	1	0	14
		26	41	15	15	3	**100**

Calculated value of χ^2 **=11.266**
Not Significant at 95% confidence level at d.o.f 16

The hypothesis is that "*There is a significant relationship between the age and the activities in which a customer indulges while he visits a shopping mall*" is accepted thereby suggesting that a particular age group has a bearing on the various activities present in a shopping mall.



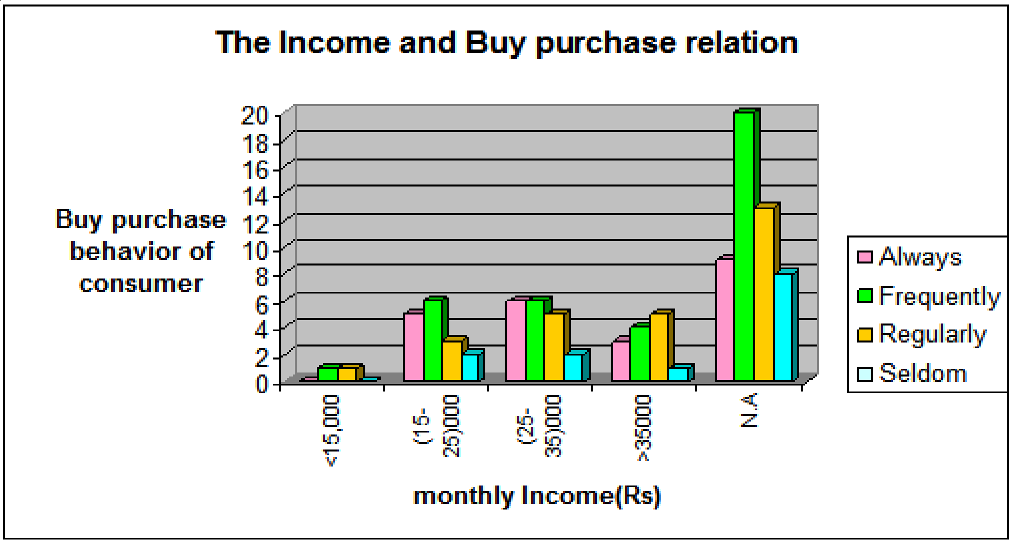
H_{03}: There is a significant relationship between the monthly income of the Individual and his frequency of buy/purchase while he visits a shopping mall.

		Monthly Income					
		<15,000	(15-25)000	(25-35)000	>35000	N.A	Total
Frequency Of buying	Always	0	5	6	3	9	23
	Frequently	1	6	6	4	20	37
	Regularly	1	3	5	5	13	27
	Seldom	0	2	2	1	8	13
	Total	2	16	19	13	50	100

Ca

lculated value of χ^2 =5.01
Not Significant at 95% confidence level at d.o.f 12

The hypothesis is that "*There is a significant relationship between the monthly income of the individual visiting the mall and his/her frequency of buying while his/her visits a shopping mall*" is accepted thereby suggesting that a particular monthly income of the individuals has a bearing on the frequency of buying during the visit to a shopping mall.

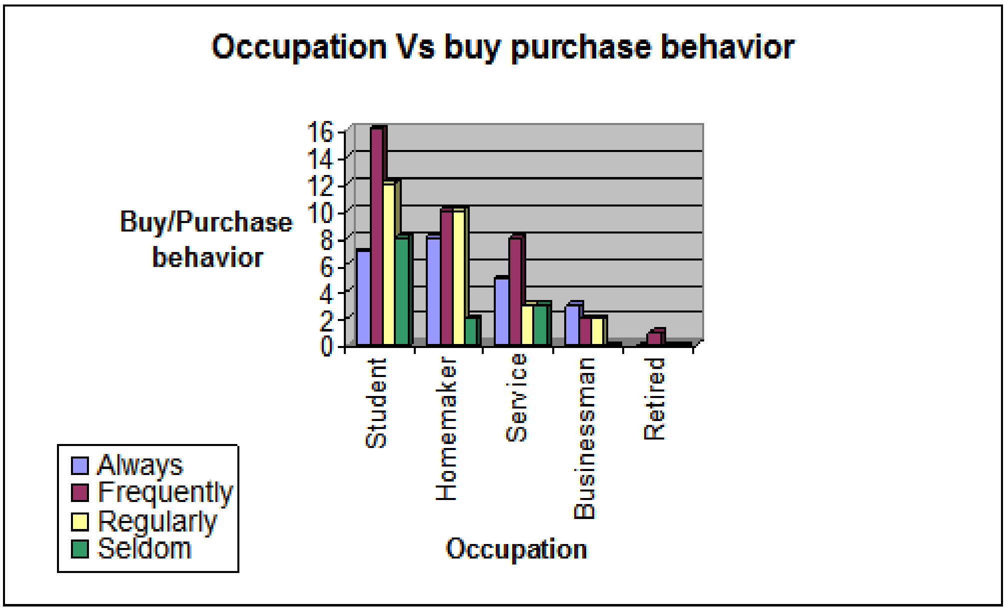


H_{04}: There is a significant relationship between the occupation of the visitors and the buy/ purchase activity of an individual during his/her visit to a shopping mall.

		Occupation					
		Student	Homemaker	Service	Businessman	Retired	Total
Buy/Purchase Frequency	Always	7	8	5	3	0	23
	Frequently	16	10	8	2	1	37
	Regularly	12	10	3	2	0	27
	Seldom	8	2	3	0	0	13
	Total	43	30	19	7	1	100

Calculated value of χ^2 =8.72
Not Significant at 95% confidence level at d.o.f 12

The hypothesis is that "*There is a significant relationship between the occupation of the visitors and buy/purchase activity of an individual his/her visits a shopping mall*" is accepted thereby suggesting that a particular occupation of the individuals visiting the mall has a bearing the buy/purchase activity.



Suggestions and Recommendations

[1]. Malls should rejuvenate its layout it from time to time, as there is a tendency that people get bored after their repeated visits. Malls should catch up with the changing new trends to create more attractions with people of all age groups .

[2]. Malls with multiplexes should offer "weekday specials". Special entertainment events should be held like fashion shows, concerts, celebrities signing autographs etc.

[3]. 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.

[4]. Shopping mall should not only be situated in good locality but also near to the city so that is easily accessible by every age group.

[5]. Shopping malls should have big, easy and comfortable parking area. Free parking facility should be provided to the regular / heavy purchase customers .

[6]. 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.

IV. CONCLUSION

The information thus collected from the respondents of the study presented the prevailing situation of shopping malls in Chandigarh and Ludhiana. 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. Keeping this, we have studied the shopping malls and tried to find the relationship between the shopper's behavior and various attributes of shopping malls that attracts them.

It was observed that there are big players are sharing the youth fashion pie, and have carved themselves as permanent stop providers for the customers. Whatever the clothing or style they want, whatever accessories to go over, being hip-hop, or just playing casual, good retailers will provide them all.

Shopping malls are in growth stage in these two cities of Punjab, this can be seen from the increasing competition. 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.

Limitations

Due To The Time And Cost Constraints The Findings Of The Study Cannot Be Generalized To The Other Parts Of The country as only two cities of Punjab have been selected for the study and these might not be the true representatives of the universe of Punjab. Above this some of the customers were not cooperative enough at the time of survey, as they were in the shopping mood and feel of filling the questionnaire was found disturbing by them.

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