

## Consumer Buying Behaviour with Reference to Shopping Malls in Mumbai: An Empirical Study

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### Abstract

The shopping patterns of the Indian consumer are becoming more effervescent as a result of the vigorous changes taking place in their lifestyle and also due to the impact of global marketing conditions in the retailing industry. The swing in the consumers' expectations resulted in the competitive environment of the retailing industry. The consumers around the world are becoming unique as the variety of retailing brands from both National and International delivering shopping entertainment. Interestingly, consumers are becoming more adaptive to their novel products at the shopping malls without comprehension. Most of the malls in Mumbai are more than shopping terminuses offering food, fun and fantasy. It has been accepted that the tactical location of the shopping malls intensified the involvement of the consumers in buying the products/services at one place to visit the shopping malls. As a result of this, there is a change in their attitudes to shift the focus from traditional shopping to innovative shopping through the shopping malls. This reveals the growing awareness among the consumers to have better accessibility to the shopping malls. The decision-making involved in the purchase decision is one of the key constituent of the consumer buying process to facilitate the retailers for building the brand image in attracting the target group. Based on the opinions and information collected from the consumers at the shopping malls, this paper attempts to identify the behavioural oriented approaches which are influential in understanding the buying behaviour.

**Keywords:** Shopping Malls, Retailing, Accessibility, Decision-Making.

### 1. Introduction

A comprehensive understanding of consumer behaviour is essential to the long-run success of any marketing program. It is seen as a one of the major component of the marketing concept. Consumer Buying Behaviour emphasizes on needs and wants, company goals and the marketing strategy. The availability of the products/services at the shopping malls acts as an information to the buyer. Shopping malls act as a key source of information for the consumers. Consumers are frequently researched due to the fact that the choices related to their purchases are considerably influenced by their behavioural patterns or unique activities at the market place. Shopping malls act as a bridge between the consumers and the retailers to categorise the various assortments and also to target the profitable consumers. The perception of the consumers will form a substantial influence factor in determining the choices of wide ranging products/services offered by the shopping malls.

### II. Literature Review

The study by **N. Panchanatham & R. Gnanaguru (2008)** reveals that Retailing is a 'technology-intensive' industry. Successful retailers today work closely with their vendors to predict consumer demand, shorten lead times, reduce inventory holding and thereby, save cost. Wal-Mart pioneered the concept of building a competitive advantage through distribution and information systems in the retailing industry. According to **Chetan Bajaj et al (2009)**: Research has found that consumer's behavior is directed towards the satisfaction of various needs and desires. The decision to buy or not to buy often comes from what one anticipates as the consequences of one's decision. Consumers tend to choose the alternative with the highest perceived net rewards. **K V S Madaan (2009)**: The mechanisms of economic growth may impact the environment in many ways, such as pollution and overexploitation of natural resources that results in the degradation and loss of wildlife habitats. Economic growth impacts environmental functions both qualitatively and quantitatively. **Lae Choi & Patricia Huddleston (2014)**, Conceptualized Retailer Equity into four dimensions: retailer awareness, retailer association, perceived quality and

retailer loyalty. **Urvasi Gupta(2012)** highlighted that due to changing demographics, urbanization, and awareness due to electronic media especially internet the customers have variety of options to choose from modern retail outlets.

**Paul F. Nunes et al (2012):** A customer's path to purchase is to be linear. Now the journey of the customer is dynamic, accessible and continuous. **Paurav Shukla et al(2013)** examined the moderating influence of socio-demographic variables (gender, age, education, income and family size) on the relationship between psychographic measures (price, display, impulsiveness and brand loyalty) and the consumer's attitude towards private label brands.

**Steven Lysonki and Srinivas Durvasula(2013)** indicated the consumer decision making styles like brand consciousness, novelty-fashion consciousness, impulsive shopping and quality consciousness shopping were found to be significant. **Swapna Pradhan (2011)** observed the emergence of new formats of retail like hypermarkets and category killers and the breaking down of global boundaries requires retailers to become more competitive. Specialty retailers identify a category opportunity and exploit it by offering superior consumer value in that category.

**N.H. Mullick(2012) :** With the changing lifestyles, incomes and shopping habits, there is a lot of scope for organized retailing. The present study focused on the various drivers of growth and the issues faced by these shopping malls. The mall developer should also create an ambience and maintain a hygienic and a clean environment and also through USP to profit the shop owners. **Ulif Elg(2007)** emphasized an in-depth understanding of market orientation in retailing and to identify the specific activities that have to be managed in order for a retail firm to become market oriented. The study also shows that the retail processes developed can assist retail managers in developing a more systematic orientation approach.

### **III. Objectives & Utility of the empirical study**

1. To study the preferential aspects determining the behaviour of the consumers for shopping malls.
2. To identify the factors influencing the behaviour of the consumers w.r.t. the shopping malls.
3. To assess the effectiveness of the factors influencing the behaviour of the consumers w.r.t. the shopping malls.

### **IV. Hypothetical Observation(s)**

1. There is an internal consistency and reliability among the variables selected in the study for conducting factor analysis
2. There is a significant difference in importance ratings for Strategic Location among the respondents as a convenient indicator for visiting the shopping malls.
3. There is a strong association between Gender & Satisfaction Level

### **V. Limitations of the Study**

1. The data collected for the study might reveal differences in the findings as the social and economic issues affecting the shopping patterns of the consumers haven't been focussed.
2. The information gathered from the respondents mainly depends on the extent of purchase made by the consumers at the shopping malls.
3. Due to the heterogeneity of the population, the interpretations may not predict the actual behaviour of the consumers.

## **V1. Methodology of the study**

### **a. Sources of Data**

#### ➤ **Primary data**

- Survey & Schedule using structured questionnaire to customers at shopping malls
- The structured questionnaire has been designed by Nominal, Ordinal and Likert-Rating scales

#### ➤ **Secondary Data**

- Literature from Text Books, articles published in Newspapers, articles published in journals pertaining to consumer buying behaviour

### **b. Research Design**

#### **Descriptive Cross-sectional design:**

The research aims to quantify the opinions of the consumers shopping at the shopping malls so that the preferences of the consumers can be highlighted. The study is referred to be cross-sectional as the information from sampling elements can be collected only once with the intent to minimise the constraints related to time and cost.

c. **Sampling method:** It refers how sampling units are selected.

- **Type of sampling** – Non Probability Sampling.

#### **Method of Non Probability Sampling**

**Convenience Sampling** – The sampling elements are identified as follows

- ✓ Firstly, the three shopping malls of the South Mumbai are identified
- ✓ Secondly, based on the convenience and accessibility of the consumers at the shopping malls, the information has been collected for further analysis.

**Sample Size:** The sample of respondents for this study consists of 300 consumers (100 each from three shopping malls of South Mumbai)

### **d. Research Area**

In the state of Maharashtra from South Mumbai across three shopping malls

### **e. Tests of Hypothesis**

The hypothesis has been tested by using the following statistical tools:

#### **Non Parametric tests**

- Chi – Square test, Kolmogorov Smirnov D test

In addition to the above hypothetical tests, the statistical tools like Simple Percentage Method and Cluster Analysis are used for analyzing the data.

### **f. Statistical tools**

**The following Statistical tools have been used for analyzing and interpreting the data through SPSS:**

**Univariate Analysis:** Simple Percentage Method, Kolmogorov Smirnov D test

**Bivariate Analysis:** Chi-Square Test,

**Multivariate Analysis:** Factor Analysis

**V11. Data Analysis**

**Table(s) determining the Reliability Analysis & Factor Analysis**

**Table 1: Reliability Statistics for Alpha Value**

Cronbach's Alpha ( $\alpha$ )	N of Items
.842	17

**Source: Compiled from the questionnaire**

**Inference:** It can be observed from the Table 1, the value of Alpha ( $\alpha$ ) is 0.842. We can conclude that the variables are having high internal consistency and hence these variables are considered to be suitable for conducting factor analysis.

**Factor Analysis**

The following hypothesis is tested by using Barlett's test of sphericity to determine the internal consistency and reliability among the variables used in the study

**Hypothesis 1**

**H0:** There is no internal consistency and reliability among the variables selected in the study for conducting factor analysis.

**H1:** There is an internal consistency and reliability among the variables selected in the study for conducting factor analysis.

**Table 2: KMO and Bartlett's Test of hypothesis (for factor analysis)**

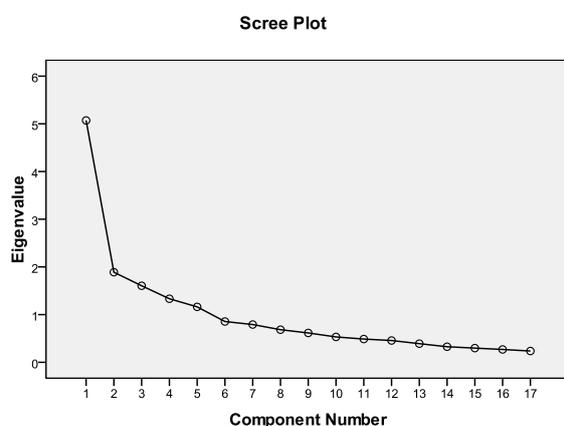
Kaiser-Meyer-Olkin Adequacy.	Measure of Sampling	.778
Bartlett's Test of Sphericity	Test of Approx. Chi-Square	1827.411
	Df	136
	Sig.	.000

**Source: Compiled from the questionnaire**

**Inference:** It can be seen from the table 2 that the significance (0.00) is less than the assumed value (0.05). So we reject H0. This means that factor analysis is valid.

The value of KMO coefficient should be always more than 0.5. The table value shows that it is 0.778. So this implies that factor analysis for data reduction is very effective.

**Graph 1**



**Inference:** From the graph 1, it can be inferred that there are five factors having the Eigen values above 1.

**Table 3**

**Rotated component matrix (for deciding the number of factors)**

VARIABLES	Component				
	1	2	3	4	5
Strategic Location	.017	.366	.549	-.246	.327
One Stop Shopping Experience	-.017	.812	.258	.000	.022
Free Home Delivery	.077	.046	-.046	.144	.838
Satisfaction Level	.102	.366	.474	.098	.548
Entertainment	.654	.231	-.022	.074	.347
Awareness Level	.114	.277	.425	.240	.442
New Arrivals	.171	.715	-.083	.297	.121
Availability of Premium Brands	.141	.707	.124	.157	.312
Special Day Offers	.337	.380	.441	.306	-.030
Shopping Zones	.029	.252	-.023	.798	.178
Parking Space	.008	.041	.110	.713	.093
Discount at all Seasons	.560	.472	.126	-.182	-.224
Credit Facility	.662	-.077	.110	.452	-.040
Specialised Services	.790	-.061	.286	.005	.089
Affordable Prices	.222	-.026	.838	-.070	.096
Friendship with Customer	.703	.156	.119	-.038	.048
Reduced Waiting Time	.176	.118	.756	.322	-.173

**Source:** Compiled from the questionnaire

**From the Table 3 of Rotated Component Matrix, it can be seen that the five factors can be classified as follows:**

**Factor 1:** Specialised Services, Friendship with Customer, Credit Facility, Entertainment

**Factor 2:** One Stop Shopping Experience, New Arrivals, Availability of Premium Brands

**Factor 3:** Affordable Prices, Reduced Waiting Time

**Factor 4:** Shopping Zones, Parking Space,

**Factor 5:** Free Home Delivery, Satisfaction Level

**The factors can be renamed as follows:**

Factor 1 – Specialised Factors

Factor 2 & Factor 4 – Shopping Factors

Factor 3 & Factor 5 – Satisfaction Factors

From the Factor analysis it states that Specialised, Shopping & Satisfaction factors are highly instrumental in understanding the buying behaviour of the consumers for shopping malls.

**Hypothesis 2**

**H0:** There is no significant difference in importance ratings for Strategic Location among the respondents as a convenient indicator for visiting the shopping malls.

**H2:** There is a significant difference in importance ratings for Strategic Location among the respondents as a convenient indicator for visiting the shopping malls.

**Table 4: Kolmogorov-Smirnov D Test for testing the importance of Strategic Location as a Preference towards Shopping Malls**

<b>Importance of Strategic Location (1)</b>	<b>Observed (2)</b>	<b>Observed Proportion (3)</b>	<b>Observed Cumulative Proportion (4)</b>	<b>Null Proportion (5)</b>	<b>Null Cumulative Proportion (6)</b>	<b>Absolute Difference (7)=(4)-(6)</b>
Extremely Important	114	0.38	0.38	0.2	0.2	0.18
Important	87	0.29	0.67	0.2	0.4	<b>0.27</b>
Neutral	52	0.17	0.84	0.2	0.6	0.24
Unimportant	26	0.08	0.92	0.2	0.8	0.27
Extremely Unimportant	21	0.07	1	0.2	1.0	0.00
Total	300					

**Source:** Compiled from the questionnaire

**Inference**

It can be seen from the table 3 that the largest absolute difference is 0.27, which is known as the Kolmogorov-Smirnov D value. For a sample size of more than 35, the critical value of D at a significance level of 5% is  $1.36/\sqrt{n}$ . As sample size is 200,  $D = 1.36/\sqrt{300} = 0.0078$ . As the calculated value (highest absolute difference) of 0.27 exceeds the critical value 0.0078(table value), the null hypothesis that there is no significant difference in importance ratings for Strategic Location among the respondents as an convenient indicator for visiting the shopping malls is rejected.

**The following hypothesis is tested to know the strong association between the Gender & Satisfaction Level**

**Hypothesis 3**

**Null Hypotheses (H0):** There is no significant association between the Gender & Satisfaction Level

Alternative Hypotheses (H2a): There is a strong association between Gender & Satisfaction Level

**Table 5: Gender \* Satisfaction level [Cross Tabulation]**

Gender	Satisfaction level					Total
	Extremely Unimportant	Unimportant	Difficult to Say	Important	Extremely Important	
Male	1	6	6	48	64	125
Female	18	7	19	46	85	175
Total	19	13	25	94	149	300

**Source:** Compiled from the questionnaire

Table 5 consists of the cross tabulated values between the Age of the farmers and Awareness Level of the farmers

**Table 5(a): Chi-Square Analysis for Gender \* Awareness level**

Description	Value	df	Asymp. Sig.
Pearson Chi-Square	17.194	4	.002
Likelihood Ratio	20.324	4	.000
Linear-by-Linear Association	7.037	1	.008
N of Valid Cases	300		

**Source: Compiled from the questionnaire**

**Inference:** It can be seen from the table 5(a) that the significance (0.002) is less than the assumed value (0.05). So we reject H0. This means that Gender is a significant demographic factor in influencing the satisfaction level of the consumers towards the shopping malls

**Finding(s) and Conclusion(s) from the Empirical Study**

1. From the reliability analysis, it clearly indicates that the value of Alpha ( $\alpha$ ) is 0.842. The  $\alpha$  value is an indicator for internal consistency among variables. The variables having internal consistency are suitable for conducting factor analysis.

2. The output generated through Factor Analysis reveals the following clusters :

**Factor 1** – Specialised Services, Friendship with Customer, Credit Facility, Entertainment

**Factor 2** – One Stop Shopping Experience, New Arrivals, Premium Brands

**Factor 3** – Affordable Prices, Reduced Waiting Time

**Factor 4** – Shopping Zones, Parking Space

**Factor 5** – Free Home Delivery, Satisfaction Level

✓ The elements in Factor 1 can be renamed as. Specialised factors, elements in Factors 2 & 4 as Shopping factors, elements in Factors 3 & 5 as Satisfaction factors. Specialised Services offered by the shopping malls result in a unique shopping experience which will be beneficial to the consumers in enhancing the satisfaction level.

3. The hypothetical study using the Kolmogorov-Smirnov D test indicates that Strategic Location is an important tool for increasing the accessibility of the consumers towards the shopping malls. Strategic Location will act as a driving force for attracting the consumers towards the shopping consumers. It will be expedient for the retailers to increase the frequency of the consumer to visit the shopping malls. The repeat purchasing behaviour of the consumers can be ascertained and their expectations for various products/services can be determined.

4. The hypothetical study using Cross tabulation between Gender\* Satisfaction level reveals that the satisfaction level differs by gender and also it is highly imperative for the shopping malls to redesign their strategy in differentiating their products/services. Gender will be considered as a major behavioural aspect of the buying behaviour as it determinably lead the marketers in a competitive environment with a focus on Satisfaction level.
5. The desires of the consumer and the need-fulfilment process emphasised the retailers to transform their strategy to offer a blend of benefits instead of one benefit which has become a significant driving force to shopping malls.
6. Effective marketing managers comprehend that understanding behaviour of consumers is a decisive component in the availability of the customised assortments at the shopping malls.

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