

# CONSUMER BEHAVIOR APPROACH OF MALL CONSUMERS AND THEIR IMPACT ON SMALL RETAILERS

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**ABSTRACT:** Indian consumer's lifestyle has witnessed a dramatic change in the last few decades due to the rapid economic growth, fuelled by investments by MNC players. MNC's has affected the buying pattern of the Indian consumer and especially those who live in Metro cities. The research here examines the changing retail scenario in Jaipur, Rajasthan. The Vicinity & Convenience, Hassle-free one-stop Shopping, lifestyle changes, Enhanced Product awareness, Price Parity, urbanization, double income families, increased family incomes, increased customer expectations etc. are the major driving forces behind the shifting of shopping from small shops to big shopping malls. This research work has been conducted to study the Impact of buying behavior of big Shopping Malls consumer on the Small Retail Business Sector in Jaipur City. The findings of the study express that, however, the malls have still not been able to consistently serve as a one-stop destination to the consumers in Jaipur, yet they are putting an adverse impact on growth and progress of their trade to the small-scale retailers.

**Key Words:** Retail store, Malls, Consumer behavior, unorganized, organized.

## INTRODUCTION

In India, current retail systems are still in its growing phase. Around a decade back, if a buyer needed to purchase a cleanser, the only options he has was the nearby Bania or Kirana shops or reasonable fair price shops called sahkari upbhokta bhandars running by the government. Today, he can even purchase the cleanser from a similar place, however, has likewise a choice of getting it from big organized corporate retailers like SRS, Big Bazaar, Easy day, D Mart, Reliance Fresh, Food Bazaar, More, Spencer and Subhiksha and so forth. Consumers are believed to be the final beneficiaries of this retail success. In the current situation, they have options from an extensive array of items, quality, and costs. Big corporate retailers are commencing different actions, for example, systematic tracking of consumer behavior, consumer loyalty programmes, and personalized customer services, and so on, to attract and pull the buyers who are up to this point used to purchase from small unorganized retailers. (**Ahmed and Mayya 2015**).

## ORGANIZED/S UNORGANIZED SECTORS

The Indian retail industry can be broadly categorized into two categories, organized and unorganized sectors. Indian retail sector is dominated by traditional family run stores, Kirana shops, general stores, and corner stores. A large portion of the retail sector in India is being run by these small unorganized retailers. Thus, the Indian retail sector is known to be highly fragmented, with a major part comprises of these pocket stores. However, the organized retail witnessing its emerging stage from the last ten to twelve years. Since conception, many attempts have been made by the big giants to increase its proportion carrying a big opportunity for forthcoming new players in the Indian retail industry.

## REVIEW OF LITERATURE

**Loudon and Della (1993)** stated that customer motive or buying behavior is a function of several variables that drive their store choices. They found out that these several factors include store ambiance, employees, publicity and marketing, product range, physical amenities, and customer services. They all influence the store choices of customer up to a greater extent.

**Khan, (1989)**, He revealed that the time spends on shopping trips impact the choice of product. In the event of regular shopping, the buying from shopping mall is preferred depending upon the availability of time. The buying behavior of customer regarding their Shopping timing decisions and product choices vary depending upon customers. These differences arise due to to variation in individual behavior, activity outline, and family consumption. For shopping mall selection consumers these days are evaluating using both subjective and objective criteria. While selecting from a large variety of options of shopping malls, consumers collect and process a lot of information before making a final decision. This processing of information happens step

by step through hierachal evaluation. Image of a shopping mall in the mind of customer influences products choice and shopping trip habits.

**Kalirajan Kaliappa & Singh Kanhaiya, (2009)** conducted a study and stated that buying from corporate retailers help consumers benefits in terms of low pricing. The analysis performed by them further discloses that consumers prefer the development of corporate retailing with a view to increasing competition among different malls and corporate retailers so as to promote stabilized prices. Surprisingly these results back up the discoveries of ICRIER1(2008) investigation, which discloses that consumers having low-income tends to save more due to targeted discount shopping at corporate retail stores. According to **Vijaya et al., (2008)** consumers are one of the winners in the consolidation of the organized retailing.

**Rao, (2006)**, examines consumer behavior while visiting a big shopping mall in Andhra Pradesh. He revealed that unorganized market consumer income is more than of organized market. Regarding buying behavior, the maximum demand was for food, then Clothes and then footwear. However, demand for luxurious goods as noticed as a minimum in the unorganised market.

**Furthermore, in a study performed by Hamil and Dr. X. Antony Thanaraj (2011)** they investigated "Impact of Supermarkets on Small Retailers in Indian suburb". Their study was aimed at accessing the actual impact that the supermarkets are employing on the sales and profit volume of small unorganized retailers. Additionally, another aim of the study is to ascertain the impact of these supermarkets on the generation of employment opportunities in unorganized retail industry. Their study indicated that supermarkets imposed a negative impact on unorganized retail outlets in targeted Indian suburb area. Besides, the study also pointed out that due to the expansion of supermarkets employment opportunities in small retail ventures are declining. Perception of small retailers also recognizes the same as the major reason behind their diminished sustainability.

**McDermott, (1936)**, recorded customer reactions to buying at Shopping Malls in the city of Chicago via survey method. The study findings reveal that buying behaviour of customers changes or gets affected by various factors viz. price, convenience, services, quality of goods and attitude of clerks, brands and credit. These are the factors to which change in preferences of one shopping mall over another can be attributed to.

### **RESEARCH PROBLEM:-**

The introduction of mega shopping malls in Jaipur city is adversely affecting the small retail business in town. As compared to urban areas income generation and employment, in Jaipur, Retail business has been a major source of survival to the considerable sections of the community in Jaipur city. Small retail businesses is on the verge of losing the opportunities and are compelled to abandon their ventures due to enhanced competitions from mega shopping malls and this will greatly impact the industry and society. This is due to the fact that mega shopping malls are being run by big giant corporate entities with huge capital, manpower and other infrastructural facilities. Where the absence of adequate capital, poor knowledge, lack of professionalism and lack of application of modern techniques in their business operations are lead to the weakness of the existing small retail sectors. Therefore it becomes important to study and comprehend the impact that, the emergence of mega shopping malls in the city has on small retail business on the basis of the perception of small business retailers. Hence this research intended to explore the impact of mega shopping malls on small retail business in Jaipur city.

### **OBJECTIVE OF THE STUDY**

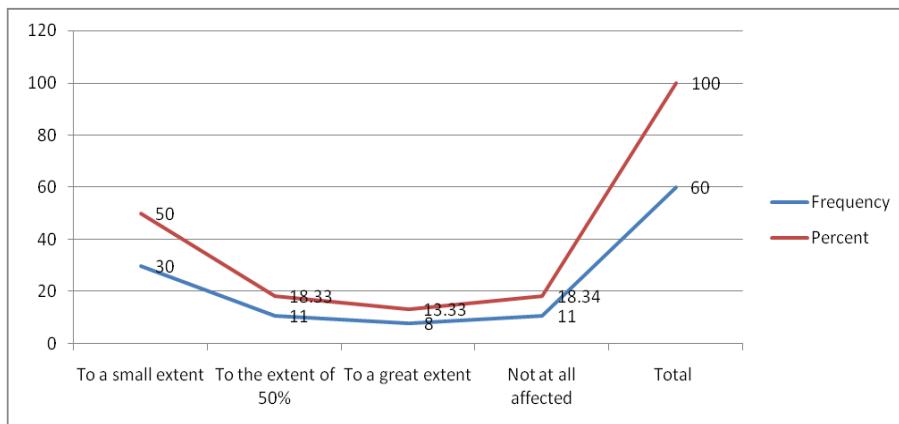
1. To study the buying behaviour of the customers of shopping malls.
2. To explore the impact of mega shopping malls on the small retail business sector in Jaipur city.

### **METHODOLOGY/APPROACH**

Five big malls of Jaipur city is taken up for the study to identify the impact of organized retail Malls i.e. supermarkets on unorganized small retailers. The malls taken for study are well established and giant malls in Jaipur. Convenience Sampling Method has been adopted and 60 unorganized small retail concerns of various formats are selected for the study. Retailers with a floor space of less than 400 sq. feet and located within a distance of 4 km from supermarkets alone are taken for study.

**ANALYSIS AND INTERPRETATION****Table 1: Level of Impact of Malls on Retail Traders**

Particular		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To a small extent	30	50	50	50
	To the extent of 50%	11	18.33	18.33	68.33
	To a great extent	8	13.33	13.33	81.66
	Not at all affected	11	18.34	18.34	100
	Total	60	100	100	



From the above table it is clear that 50% of respondents are adversely affected by the Mall culture a small extent, 18.33% of them are adversely affected to the extent of fifty percent of their business turnover, 13.33% of them are affected by the Malls to the level of great extent and the remaining 18.34% of respondents express that their businesses have not been affected by the Malls. Thus the majority of the respondents acknowledged that they are being affected by the Malls to the level of some extent.

**Table 2: Factors Influencing the Existence (Impact) of Mega Shopping Malls:-**

Sr. no.	particulars	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
		No.	%	No.	%	No.	%	No.	%	No.	%
1	<b>Location</b>	-	-	-	-	2		54		4	
2	<b>Brand equity</b>	3		9		2		39		7	
3	<b>Price</b>	1		8		3		46		2	
4	<b>Card facility</b>	1		3		2		42		2	
5	<b>Variety</b>	1		18		-		36		5	
6	<b>Computer billing</b>	-		3		1		48		8	
7	<b>Availability of all goods in one place</b>	-		2		-		21		37	
8	<b>Suitability</b>	15		31		2		12		-	
9	<b>Display</b>	-		1		3		31		25	
10	<b>Advertisement</b>	7		24		2		26		1	
11	<b>Free service</b>	12		45		-		1		2	
12	<b>Discount offers</b>	11		37		2		10		-	
13	<b>Prestige</b>	-		3		1		48		8	

From the above table, it can be demonstrated that out of thirteen given variables contributing towards the existence of big size shopping centres in Jaipur city, the entire respondents (100%) either agree or strongly agree towards the factor Spacious location for shopping, the Availability of all goods in one roof to the extent of 96.66% (37+21), Usage of credit cards by 73.33%, Computerised-billing as well as Prestigious shopping by 93.3% are the causes of the customers to switch over towards the big size shopping malls. The above analysis shows that certain factors like Suitability to all customers for shopping, Advertisement, Free after sale services, discount in the market are disagreed or strongly disagreed by most of the respondents.

**Chi-square test:** This test was performed to find out the relationship between the demographic profile of respondents and an impact on the perception of retailers on the existence of big malls. Following the hypothesis has been formulated for this purpose;

$H_{01}$ :- There is no association in between age and their impact on the perception of retailers on the Existence of Big malls (impact) perceived.

$H_{02}$ :- There is no association in between education and their impact on the perception of retailers on the Existence of Big malls (impact) perceived.

$H_{03}$ :- There is no association in between type of business and their impact on the perception of retailers on the Existence of Big malls (impact) perceived.

$H_{04}$ :- There is no association in between organizational type and their impact on the perception of retailers on the Existence of Big malls (impact) perceived.

$H_{05}$ :- There is no association in between discount given and their impact on the perception of retailers on the Existence of Big malls (impact) perceived.

$H_{06}$ :- There is no association in between Business Turnover and their impact on the perception of retailers on the Existence of Big malls (impact) perceived.

The following table displays the Chi-Square Test results:

	Value	Df	Asymp. Sig. (2-sided)	Significant
Age VsImpact	24.680	9	.003	significant
Education VsImpact	56.378	6	.000	significant
Type of Business VsImpact	198.105	24	.000	Significant
Organisational Type VsImpact	21.883	6	.001	Significant
Discount given VsImpact	22.270	3	.000	Significant
Business Turnover Vs Impact	26.336	12	.010	significant

The results of the chi-square test signify that most of the factors like Age, Education, Type of business, Organisation's type, business turnover, and Discounts are having a significant relationship with the Perception of retailers on the Existence of Big malls (impact) perceived. This implies that as the demographic variable changes the perception of respondent towards the impact of big organized malls in small retail stores also changes. Age, Education, turnover etc. are all associated with the impact.

## CONCLUSION

In a country like India, a large number of people are engaged in retail trade for their livelihood since ages. Thus in order to protect their survival, it becomes imperative and critically necessary that they have to reform or re-organize their traditional sole proprietorship business concern into a collective form of ownership organization like Limited Liability Partnership firm or Private Limited Company etc. which will enable them to generate adequate capital for persistent existing business. It is quite evident from the survey findings that there is an adverse impact on the growth and progress of their trade to the level of some extent in some type of business activities.

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