



A STUDY ON INFLUENCING FACTORS OF SHOPPERS' BEHAVIOUR TOWARDS MALLS WITH REFERENCE TO CHENNAI

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ABSTRACT

Retail space in Chennai is growing vividly, in terms of shopping centres. Eventually, the both malls and retailers in malls are to draw more shoppers to their shopping mall and share their growth strategy, together. Malls must differentiate themselves by building strong patronage which helps for their survival among the competitors. By understanding better about the demographic segment, marketers and retailers can be capable to satisfy their desires and demands. In this context, the research has attempted to study the shoppers' behaviour in malls in Chennai.

This study provides significant insights about the nature and type of shopping motives that drive shoppers to shop in malls. In fact, understanding factors influencing shopper behaviour certainly helps marketers to design more effective and efficient strategies.

MALLS IN INDIAN CONTEXT

Malls first made their appearance in India in the 1990s. The first malls in India were Ansar Plaza in Delhi, Cross Roads in Mumbai and Spencer Plaza in Chennai (Gupta 2014). The ambience of air-conditioned interiors; car parking facilities, rich architecture and branded goods has entranced and engaged shoppers enough to keep coming back for more. From 2006 there has been a steady growth in malls in the major cities in India. The number of malls increased four times from 2005 to 2008. The momentum continued, and the number of malls doubled from 2008 to 2013. Mall areas have also increased phenomenally and the number of malls with square feet over 700,000 has risen significantly. Nevertheless, throwing a glamorous high-quality mall with high footfall does not guarantee profitability (Srivastava et al. 2015). This has been the challenge for mall managements. They have been attempting to understand the business. Shoppers in malls have become shape-shifting creatures and reading them has become a very complex procedure. To complicate this issue



further, mall construction and operationalizing them is a long-drawn process; during this period of five to seven years shopper tastes and perceptions can again shift and flex. Profitability and return on investment are a matter of concern for Mall investors. Over 90% of Indian malls are struggling to stay profitable owing to competition from other malls, apart from high real estate prices, and sluggish demand (NDTV 2013). Competition from new, better designed malls seems to get the crowd aside from existing shopping centres. Competition as well comes from online retailers such as Flipkart and Amazon.

The extremely conducive climate for shopping malls has been the reason for undertaking this study on shoppers' behaviour towards Malls. Mall owners, retailers and entertainment companies ought to study the minds of shoppers, their attitude and behaviour when it comes to malls. The factors that dictate the behavioural pattern of shoppers within malls need to be studied so the malls can respond in a way that helps attract more patronage and spending in their malls. Also, the factors that compel them to visit malls in the first place, need to be examined.

Mall owners need to provide hedonic benefits such as a visually appealing environment, a fun and enjoyable atmosphere and attractive merchandising (Srinivasan and Srivastava 2010). Utilitarian benefits also cannot be denied to the shoppers. These are affordability, billing efficiency, convenience and variety. There are many studies that have analysed the relationships among value, satisfaction and patronage intentions (Babin et al. 2005; Carpenter and Fairhurst 2005; Cottet et al. 2006; Cronin et al. 2000 & Kumar et al. 2010). These studies show that mall success and continuous fulfilment and support is contingent on the value offered (Ghosh et al. 2010). The current study deciphers this value through the study of consumer satisfaction with store and non-store factors and the analysis of satisfaction with economic, social, marketing and re-patronage factors.

NEED FOR THE STUDY

The present study explores the effects of perceived values associated with Shoppers' experience in Malls through the study of their satisfaction, patronage and intentions with various experiential factors. Further the study seeks to identify the difference in perceived values between Malls as compared to those that don't. Using the perceived value as the underpinning notion, the satisfaction of the mall shopper has been captured. The theoretical and conceptual contribution of the present study lies in expanding and adapting



to the Indian context; Chennai city. Various research methods and statistical analysis techniques have been used to test the theoretical framework. The survey of literature demonstrates that no study has related shoppers' motivation and gratification from the perspective of their experience. Therefore, the present study is one of the first studies that studies mall shopping motivation, satisfaction and re patronage from the perspective of the experience economy.

STATEMENT OF THE PROBLEM

Understanding of consumer behaviour is the kernel for the endurance of any business system. In changing cultural, demographic, political and economic environment, the consumer taste, and preferences are changing drastically. It is felt that there is a need to understand shoppers' behaviour in retail establishments within malls and extending the service to fulfil the needs and wants in a more effective and efficient way. This study contributes to the existing research in shoppers' behaviour towards entertainment and non-entertainment malls and establishes the customer centric strategies of the malls based on the following factors

- Motivation to shop in malls
- Perception towards the mall attributes
- Satisfaction towards mall and
- Re-patronage to the mall.

OBJECTIVES

The main aim of the survey is to analyse the elements that influence Shoppers' behaviour towards Malls in Chennai.

LIMITATION OF THE STUDY

The scope of the study is limited to Chennai city only. The convenience sampling technique was adopted to select the simple respondents. Variables related to economic, social and psychological characteristics were drawn from the review of previous studies and the views of experts in the related area.

MALL INTERCEPT SURVEY

Mall Intercept Survey was adopted to investigate the shoppers' behaviour in malls by intercepting the sample to cull out data. For this study, a period of three months was spent to intercept, screen and interview samples; 700 mall shoppers. Out of this, 97 samples were



rejected because of poor or incomplete response to questionnaire. 603 questionnaires were considered for further analysis; as complete in all aspects. Another 417 shoppers refused (non-respondents) to participate in the study.

SHOPPERS' SATISFACTION IMPACTS THE MARKETING FACTORS OF MALLS

Analysis of empirical data using SEM (Structural Equation Modelling) reveals that Satisfaction with the mall significantly influences satisfaction with marketing factors for the entertainment malls. This finding is aligned to the SOR framework of Fiore and Kim (2007). It is implied that perceived value being high in entertainment malls, the respondents display high satisfaction with the mall. This translates into satisfaction with the products, the price, the location and promotional aspects of the mall and its retail stores. The implication of this determination is that the combinations of operational and experiential values that influence satisfaction also influence satisfaction with other factors related to the mall and its retail funds. While a few studies have studied the impact of marketing mix variables on mall satisfaction (Ubeja and Veda 2012; Abuja 2013), no study has looked at mall satisfaction and its influence on the marketing mix of the stores in the mall. This study is unique in that respect and reveals that overall mall satisfaction significantly influences satisfaction with the retailers in the mall.

SHOPPERS' SATISFACTION INFLUENCE MOTIVATION AGAINST THE RE-PATRONAGE OF THE MALL.

The analysis using SEM of Motivation on Re-patronage, mediated by Satisfaction, reveals that Motivation significantly influences Re-patronage by significantly mediating Satisfaction. The current study also shows that motivation influences satisfaction. The motivation, satisfaction and patronage variables show the role played by perceiving experience and functional value in influencing the process from motivation to re patronage. Previous research indicates that Indian youth seeks adventure in malls (Hemalatha and Ravichandran 2009). This escapist experience was stimulating, exciting and pleasurable. Studies have shown that both functional and experiential values have a strong impact on satisfaction (Cronin et al. 2000). The present study supports this finding that both values contribute to satisfaction with the mall and this results in a willingness to patronize the mall.

SHOPPERS' DEMOGRAPHIC VALUES DECIDES THE LEVEL OF THEIR SATISFACTION IN MALLS.

The influence of annual income, how often they go shopping and money they spend, on satisfaction with the items available in the malls and its cost, the cost of parking, reasonable



price, were studied, using SEM analysis. It was found that Income, frequency of shopping and purchasing power of shoppers significantly influences satisfaction. Another significant finding was that higher income groups were less concerned about costs in a mall, obviously. Satisfaction increased when the car parking cost and cost of goods was perceived to be fixed fairly. A reasonable price perception again, increased satisfaction. The frequency of shopping is the most important demographic variable influencing satisfaction with the three variables studied. The current study supports this finding by the frequency of shopping being related to satisfaction with the prices in the mall. This is supported by Rajagopal (2009) who indicates that economic gains in the malls attract higher customer traffic. The older shoppers were dissatisfied with rest places, billing system and lack of entertainment for older people. The younger shoppers were satisfied with the food court, entertainment and billing system. Overall the study revealed that older shoppers were more satisfied as compared to the younger shoppers. This finding was supported by a study conducted by the Verde Group (2008) which found that young shoppers in the age of 18-24 are usually the most dissatisfied, but nonetheless they are a very important group as they spend 25% more time than people over 40 and visit 70% more stores per trip to the mall.

Analysis of Education on Satisfaction gave a diverged thinking over the earlier research by Ubeja and Bedia (2012) that education does not impact the satisfaction of malls. The people with Masters Degree were more time conscious and expected faster billing and checkout and better parking facilities. On the other-hand the less educated expected more reasonable prices. Overall the satisfaction level was higher for the more educated shoppers. The analysis of Occupation on Satisfaction shows that Professionals and Students are dissatisfied shoppers. Professionals are dissatisfied with the billing system, rest places, check out and entertainment for elders. Students were dissatisfied about the costs and prices in malls. This finding is unique and not supported by other studies.

DEMOGRAPHIC VALUES OF SHOPPERS AFFECT THE LEVEL OF THEIR MOTIVATION TO VISIT THE MALL

The study supports the fact that older shoppers and less educated shoppers experience the higher hedonic value that motivates them to visit malls. Visiting malls satisfies the drive to feel exclusive and affiliated to a higher social class and disassociated from a lower social



class (Mann 2012). Buying from branded stores in malls and being seen in them enhances the social status of shoppers (Mann 2012).

Further analysis of Age and its influence on motivation reveals that the 21-40-year olds are the most motivated by experiential and functional values. Analysis of Education and its influence on motivation reveals that Shoppers, those with Bachelor-degrees are the most motivated by the hedonic and utilitarian factors as compared to Shoppers with high school and Master-degrees. The influence of demographics on motivation has been supported by Srivastava (2012) whose findings supports the current study by showing that Education and Age were found to be significant in influencing both utilitarian and economic motivations.

DEMOGRAPHIC VALUES OF SHOPPERS INFLUENCE THEIR PURPOSE OF MALL VISIT.

This study reveals that the under 20 years do the most window shopping and browsing in the Malls, while most likely to spend their leisure time in malls. They are also excited the most about new events and launches and visit malls to watch such promotional events. The 21- 40 years old do the most shopping. The 41-60 years old dine out the most and prefer Family outings in malls. Taylor and Cosenza (2002) in their study on mall shoppers found that teen shoppers looked for excitement at the mall, which supports the finding of the current study. 18-24 year olds were found to be active shoppers, spending more time in the mall than over 40 shoppers and visiting more shops per trip than older shoppers (The Verde Group 2008). The present study seems to support this finding broadly. It can be safely concluded that younger shoppers are the ones who contribute to the vibrancy of a mall. Revenues on the other hand, are from both the old and young shoppers. The present study is unique in analysing how different age groups behave in malls. Malls are not merely places to shop, but more about the lifestyle or downtown places where people can relax, browse, eat and watch a movie, apart from shopping (Kaplan 2004). This is supported by this study which finds that people do lots more than only shop in a mall.

Analysis on Education and purpose of mall visit indicates that the high schoolers who probably have more leisure time than the other age groups just like to hang out at malls, browsing, window shopping and spend more. Also, they are likely to be interested in events, promotions and product launches than the other groups. Shoppers with Bachelor-degrees shop more and are more likely to dine out than the other groups. Their motives are more



emotional and hedonic in nature. The Masters are more likely to dine out and have family outings in malls.

ATTITUDE TOWARDS MALLS

The findings reveal that **males** enjoy themselves more than females in malls; males feel that entertainment malls are more essential and convinced about the product assertiveness in entertainment malls. **Females** are more aware of the difference between entertainment and non-entertainment malls and feel that shoppers don't need non-entertainment malls as entertainment malls give pleasure. Females feel that entertainment malls have more image; they appreciate the architecture of entertainment malls and feel that entertainment malls have a better variety of brands. In general, both genders express a favourable attitude towards entertainment malls. A study on gender and its impact on attitude towards malls reveal that females get greater hedonic value from a trip to the mall and have a more positive attitude towards mall hygiene factors and entertainment than males.

SUGGESTIONS OF MALL SHOPPERS

The present study has invited suggestions from shoppers. These are the most common among them: Entertainment is what shoppers want in non-entertainment malls. In Entertainment malls the top suggestions were more fun activities and competitions for children like singing, painting, debating etc. and Wi-Fi. Shoppers would also like children play area, 24/7 malls and mall guides who help with directions. Malls are also using targeted promotion to different segments using Facebook. Technology is now being used by malls to reduce pain points and create new delight points. Malls are now improving the parking experience for shoppers by using sensors that detect available spots and indicate them to drivers.

CONCLUSION AND IMPLICATIONS

The present study is one among the few studies to examine experiences and functional values in an Indian context; studies mall shopping motivation, satisfaction and re-patronage from the perspective of the shoppers' experience. This research has also explored demographic antecedents and their influence on satisfaction with the mall, purpose of mall visit, reason for selecting mall and preferred goods in the mall is also part of the hypothesized model. In addition, the model has explored the difference between entertainment and non-entertainment malls with regards to marketing, socioeconomic and



re-patronage factors. It can be concluded that shoppers with high household incomes are not as motivated as those with lower household income levels. It could be speculated that people who are affluent might easily find other activities or places that contribute to their experiential hedonic needs. Otherwise, the heavy spenders could be the main target for the mall as they will lead to higher revenues for the mall and its stores, resulting in higher rental incomes in the long run for the mall.

Since, the study indicates the importance of experiential value for shoppers, malls should play a clear role in shaping this emotional experience. Malls are also experimenting with new styles, décor, architecture and formats, enhance the shoppers experience in the mall. The present study shows that Motivation significantly influences re-patronage by significantly mediating satisfaction. Therefore, motivation and satisfaction of the shopper are critical for patronage of the mall. There can be many options to enhance customer experience. Malls should identify those that drive satisfaction of shoppers while adding to revenues and good return on investments. The touch points that are most tied with satisfaction have been identified in the present study; such as prices, billing, check out, product variety, rest places or parking facilities. The present study indicates that entertainment malls are in easily reachable locations as compared to non-entertainment malls. Malls should focus on locations in the city where there is an attractive catchment area of the target population. With the retail industry undergoing a dramatic transformation over the years with online technology, malls can still play a pivotal role in communities by providing entertainment that is shop-able too. For this there is a need to look at shoppers' expectations and break the historical stereotype of the mall.

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