



Recent Shopping Mall Developments in Tier III City and its Impact on Consumer Behaviour

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Abstract:

Mall development is phenomenal in India. The mall mania is spreading very fast. Nevertheless, in recent years, new retail stores/supermarkets are being opened at a frenetic pace in different small cities and towns throughout the country. The country is quickly readying to face profound changes in the retail landscape. Over the past ten years there have been significant changes in where Gorakhpur shops and how it is entertained. Changes continue today, requiring developers, retailers, and service providers to create new types of stores and shopping centers to stay competitive.

Consumer behavior is a study of how individuals make decisions to spend their available resources (time, money and effort) on consumption of related items (What, why, when, where and how they buy and use such products and services). Also we need to understand, why consumers make the purchases that they make? What are the factors that influence consumer purchases? What are the changing factors in our society that guide such purchase behavior?

This article will show recent shopping mall developments and evaluate the impact of shopping malls on consumer behaviour in Gorakhpur city, and discusses how consumers' decision-making styles shift towards shopping at malls as well as street markets in Gorakhpur City. A two part mixed methodology, which employed both qualitative and quantitative methods, is to be adopted. Part one involve semi-structured expert interviews which allowed respondents to speak freely about their understanding of purchasing behaviour in township areas, as well as the potential impact of shopping mall developments. Part two is a qualitative study to test theoretical predictions with precise measures of variables. This study addresses the causes and effects of shopping mall developments.

Keywords: *Consumer behavior, Mall development, Shopping, Tier III city*

1. Introduction

A shopping mall is “A group of retail and other commercial establishments that is planned, developed, owned and managed as a single property. On-site parking is provided. The center's size and orientation are generally determined by the market characteristics of the trade area served by the center.” The increasing movement of formal retailers into previously untapped middle and low-income markets resulted in an increase in shopping center development in townships (Lightelm, 2006), Street markets in developing countries constitute an integral part of the local economy as well as exhibit ethnic image of the habitat, which continues to function also in growing cities. The shopping malls have intercepted the traditional marketplace culture and are instrumental in shifting the consumer behavior in urban areas. Shopping centers and hypermarkets are important routes to market in the urban landscape, though lack of planning and vision in developing urban marketplaces

lead to chaos and congestion of traffic affecting the growth retailers (Kok, 2007). The street markets in urban settings may be considered as 'socially responsible distribution centers' with the initiatives that provide consumers with market access for goods and services that they can benefit from by either buying or selling, thus neutralizing the disadvantages they suffer due to inadequate physical links to large retail outlets, information asymmetries, and weak bargaining power (Vachani and Smith, 2008). A larger shopping center can facilitate a greater variety of shops and create a more pleasant environment for the shoppers, thus enticing shoppers to visit and stay longer. This proposition leads to one of the challenges faced by the managers of shopping malls located outside the traditional shopping belt, which is how to attract shoppers to patronize their malls (Ooi and Sim, 2007). This article discusses how consumers' decision-making styles shift towards shopping at malls as well as street markets in Gorakhpur City. Based on exploratory data and using a theoretical model of consumer-decision making styles, this study addresses the causes and effects of shopping mall developments. The results show that there are various economic and marketplace ambience related factors that affect the consumer decision towards shopping. The article concludes with specific suggestions for shopping malls to increase their market percentage.

2. Research Objective

The objective of the research is to show recent shopping mall developments and evaluate the impact of shopping malls on consumer behaviour in Gorakhpur city. Several researches indicated that shopping mall result in benefits for consumers. I am expecting that introduction of shopping malls would change consumer preferences and purchasing decisions and has a positive impact on Shopping malls. This research aims to address the following questions:

Objective 1: What are the recent trends and advances in shopping malls in Gorakhpur city?

Objective 2: How does the development of shopping mall impact consumer behaviour in Gorakhpur City?

Objective 3: Has the development of shopping mall influenced consumers to purchase from the shopping mall instead of purchasing from small retailers and hawkers?

3. Review of Literature

There has been no proper planning to manage the shift of agglomeration of retail stores from both marketing perspective and consumers' point of view. However, findings of some studies proved to be quite similar for both shopping streets and shopping malls; the retail tenant mix and atmosphere had the highest relative importance (Teller, 2008).

It is found that assortment of stores, mall environment and shopping involvement factors have a differential influence on excitement and desire to stay in the malls, which in turn are found to influence patronage intentions and shopping desire in the malls (Wakefield and Baker, 1998).

4. Hypothesis of Research

1. Shoppers do not have adequate knowledge about shopping malls.
2. People of Gorakhpur are not frequent goers of shopping malls.
3. Shopping malls are not so much popular.
4. Information regarding shopping malls is less.

5. Research Design

A two part mixed methodology, which employed both qualitative and quantitative methods, is to be adopted. Part one involve semi-structured expert interviews which allowed respondents to speak

freely about their understanding of purchasing behaviour in township areas, as well as the potential impact of shopping mall developments. Part two is a qualitative study to test theoretical predictions with precise measures of variables.

6. Sample

The purpose of the research was to understand consumers' mall shopping behaviour in Indian small towns. Data collection was done through structured questionnaire administered through mall- intercept and store-intercept technique. Random convenience sampling technique was used. The questionnaire was administered in Gorakhpur, a Tier III city in Northern India. The consumers visiting the malls and stores were requested to assist in the survey. Total sample comprised of 276 completed questionnaires which were used for analysis.

As some items were added to the questionnaire developed by Ahmed et al. (2007), the reliability testing of the items was done. Chronbach's (1951) coefficient alpha measures the extent to which the scale items cohere with each other. The Chronbach alpha for the seven variables ranged between .720 and .942 (see Table 1 for details), showing that the scale was reliable. Percentage of male respondents was 49.6 and female was 50.4. Different age categories were used instead of actual age of the respondents as such a design is less intrusive and respondents are less hesitant to provide their age information. The age groups comprised different age segments represented by Generation Y (20–30 years), Generation X (30–40 years), Baby boomers (40–50 years), and Late Baby Boomers (50 and above). The age was used to define the boundaries for each generation and age categorized by 10-year intervals helped in getting the right responses than by generation. Verdict (2006) states, that the baby boomers are more cautious than younger generation. The consumers' shopping behaviour reflects their age (Moschis, 2003; Verdict, 2006). Table 2 shows the age break-up of the consumers.

Table 1 Chronbach alpha values for mall shopping behaviour

Factors and items	Chronbach alpha
Aesthetics The interior design of the malls usually attracts my attention I notice the color of the mall interior I notice the texture of the mall interior The environment (i.e. lighting and decoration) in the malls attracts my attentions I am usually in a good mood when I am in mall	.942
Escape When I am bored, the mall is a good place to go When I am alone and need something to do, the mall is a good place to go When I am stressful, the mall is a good place to go I feel relaxed during my mall visit I visit the mall to avoid the bad weather I visit the mall to avoid traffic congestion I visit the mall as a diversion from the daily routine life as a student	.912
Flow When I am in the mall, I feel like I am in another world I lose track of time, when I am inside the mall When I leave the mall, I am sometimes surprised to find out it is dark outside	.894
Exploration Mall is a good place to find out what is new Certain stores are fun to visit because they sell products that interest me I consider a visit to the mall as a learning experience I enjoy handling the merchandise and trying it on	.821

Role enactment I perceive myself as a wise shopper by looking at price bargain between Stores in the Mall Grocery shopping is a customary activity of the housewife	.770
Social Going to the mall is an enjoyable experience when I am with friends The sales person in the mall is more responsive and friendly	.762
Convenience I visit the mall because of its convenient location to my house or study place I visit the mall because it is easier to find a parking space at economy rate The mall store hours are convenient Mall is a one-stop shopping place	.720

Table 2 Age break-up

Age groups (in years)	Total number of respondents	Present age
20-30	69	25
31-40	95	34.4
41-50	78	28.3
51- and 51 ⁺	34	12.3
Total	276	100

7. Results

7.1 Results of the sample frame

Part one involved six semi-structured interviews with retail experts about the retail environment in Gorakhpur as well as the factors that influence low-income consumer behaviour. This represents a 60% response rate as ten retail experts were indentified for semi-structured interview.

7.2 Results of the semi-structured interviews with retail experts

The questionnaire consisted of four semi-structured questions aimed at achieving “story telling; which invited the interviewee to tell the story of their experience on the subject matter”. The results are presented according to a review of emerging themes.

7.3 The Influence of Culture on Consumer Behaviour

No doubt Gorakhpur is small town and in small town culture play Avery important role in comparison to metros. When we interviewed local people about mall and their view on it there were 70% people who were against mall and don't want to go mall because of their preferences, some told it is promoting English culture, some said it is wastage of money and some told it is place where all things are at one place e.g. cinema hall, restaurants so it is not safe for women and all veg. and non-veg. food are served .So culture is very important factor to consider while studying consumer behaviour specially in small town.

7.4 The Influence of Location on Consumer Behaviour

People will do whatever is necessary to satisfy their needs and demands e.g. People near the border of Gorakhpur also come to this only mall in this small city. A person who is ready to satisfy there needs and wants properly are least bother about the location.

7.5 The Influence of Price on Consumer Behaviour

There are different types of consumer in Gorakhpur eg. High class, middle class and lower class. High class people generally shop outside Gorakhpur (Lucknow, Delhi etc.) except daily need things to avoid duplicate product. Middle class people are having mixed attitude towards price and low class people never visit mall because they cannot afford.

7.6 The Influence of Quality and variety on Consumer Behaviour

The results of the interviews are presented according to the influence of the variety of products as well the quality of the products on consumer behaviour. In this case also high class is concerned about variety and qualities whereas middle class is having mixed approach and low class are not able to consume these kinds of products.

7.7 Social and Aspirational Attributes

“People literally dress up to go shopping and see it as an outing” said one of the respondents. People in low-income communities have social aspirations of a middle or high income lifestyle and therefore would prefer to be seen in Mall only for and outing for entertainment but cannot afford to shop there. The Owner of a retail development company indicated that consumers always „shop up”, for instance they tend to shop in the mall that is above their current status or income potential. “The poorest guy also prefers to shop in the best looking mall so the design of the mall is critical even in the township areas”.

The objective of the research was to establish the impact of shopping mall developments on consumer behaviour in Gorakhpur; therefore interviewer- administered questionnaires were conducted. The nature of the primary data collected enabled statistical analysis to evaluate the relationships, between the dependent and independent variables. The independent variables are defined as the six research propositions defined above, namely: Location, Price Sensitivity, Product Offering, Perception of Abundance, and Social and Aspirational attributes.

The results for “aesthetics” show that there is a differences amongst 20–30 years and 40–50 years and between age groups 40–50. The test results for the “escape” variable show that there was significant difference between age groups 30–40 years and 50 years and above and between 40–50 years and 50 years and above. The definition of escape differs between the groups, as the consumers (between 30–40 and 40–50 years) prefer malls for leisure and escape. Malls are viewed as places for family outings on Sundays and enable families to get together, to shop, watch a movie, and eat out. The findings supports earlier research which state that malls enable consumers to escape from daily life tribulations and are places for family outings (Bellenger and Korgaonkar, 1980; Firat and Venkatesh, 1993; Michon et al., 2005; Ahmed et al., 2007). For consumers in the age group of 50 and above, mall visits were not influenced by the allurements offered by the malls. Most of the consumers in this category were retired people living alone. For them, malls were not places they prefer to frequent; rather they were more comfortable shopping at local stores. The Tukey’s test results between groups for “flow” variable show a significant difference between 20–30 years and 30–40 years and between 20–30 years and 40–50 years. The flow dimension relates to recreational attributes and for 20–30 years recreation is a major motivator for their visit to the mall. For the middle-age consumers, malls connote utilitarian aspects of shop- ping but for younger consumers it is a place for hanging out with friends. The older consumers constrained by their family commitments and responsibilities view malls only for shopping. The test results for “flow” variable show a difference between 30–40 years and 50 years and above and between 40–50 years and 50 years and above. The recreational stimulants available at malls reinforce consumers’ mall shopping behaviour. The age group of consumers between 30–50 years constitutes consumers with kids (in full nest family life cycle stage) and malls connote recreational places for them. The older consumers, 50 and above age groups, generally do not have children staying with them so the entertainment aspects of mall do not attract them. The consumers between age groups of 30–50 years perceive malls as places where they can take their kids. The findings support other research that states the importance of recreational and

entertainment facilities' in malls influences consumers' shopping behaviour (Haynes and Talpade, 1996; Klara, 1997; Kasrel, 1998; Wakefield and Baker, 1998). The test for "exploration" variable shows difference between 30–40 years and 50 years and above and between 40–50 years and 50 years and above. Malls with a variety of stores offer "shopping adventure" and motivate impulsive buying behaviour (Bayley and Nancarrow, 1998). This can be relevant to 30–50 years age groups of consumers. They perceive malls as places that enable them to look at new versions of brands. In small towns, specialty or traditional retailers do not offer the global brands or the latest versions/models of products. Being starved of choice, this class of consumer finds malls a good place to look for new products. The branded stores in the malls not only offer a large variety of products but also enable them to compare products, avail of discount offers, different price ranges, services, and appealing packaging. The global brands related to products like apparels, electronics, household durables, footwear and accessories were till now inaccessible to small city shopper. The small city shopper feels that malls in their city have helped them get access to better quality products. The availability of branded products and fashions augment the shopping experience of consumers. This can be related with the work of Underhill (1999), who states that sensual pleasure and experiences are enhanced in malls as touching, sensing, and feeling new products affects consumer shopping behaviour. In India, malls in the non-metropolitan cities have opened vistas for global brand exploration. The global brands which were earlier only available through the outlets of bigger cities can be easily accessed through the malls in smaller towns. The older consumer groups may not be affected by these allurements which motivate the 30–50 years age group of consumers. Their interests are different; and branded stores, variety, entertainment, and new product launches may not be of relevance to them. The test for "role" variable shows differences between 20–30 years and all other age groups; and between 40–50 years and 50 years and above (all significant at the .05 level). Consumers are conditioned to enact different roles in society. Different stages of consumer-life cycle affect consumers' roles and it changes with family size and demographics (Engel et al., 1993). The mall shopping experiences connote personal meaning to the consumers (Rintamaki et al., 2006) and it becomes an integral part of their behaviour. The test for "social" variable reflects differences among 20–30 years and 30–40 years and 40–50 years and between 50 years and above and 30–40 years at the .05 level. The social connotation of malls differs across different age groups. The younger consumers (20–30 years) perceive malls as places where they can stroll with friends, window shop, watch other shoppers, eat at food courts, and watch movie. It provides them a place where they can meet friends; spend time unrestricted from the watchful eyes of parents. For the consumer age groups between 30 and 50 years, mall is a place which facilitates social interaction. For older people malls provide the stimuli of watching people purchase products, walking around with friends, and watch new fashions. The lively and fun-filled environment of the mall proffers a new lease of life to most consumers. The test for the "convenience" variable show significant differences between the 50 years and above group and other age groups. The perception and consumer attitude towards the convenience offered by the malls differs across various age groups. Convenience for 30–50 years may imply one-stop shopping destination with good promotional offers. The older consumers' perception of convenience would still relate to local stores which are approachable and near their place of residence. The meaning of convenience is not the same for them as it is for younger generation. Malls entail a lot of walking, looking for parking space, looking for an accelerator and having to do ones' shopping without any assistance. The local retailer is more convenient for them as they can place an order on telephone, get home delivery, a discount because of being a valued consumer, and assistance while shopping. The malls are devoid of these benefits. The younger consumer groups (30–50 years) feels excited that all products are available under one roof, and it helps them save time. The Indian malls frequently offer discounts and rebates to the consumers. There are special offers during festivals,

discounts, price-cuts, and special schemes to motivate consumers to the stores. The promotional schemes appeal to consumers with large families as it promises monetary gains. These monetary savings and convenience of finding all the discounts at one place contribute to utilitarian value (Babin et al., 1994; Holbrook, 1999) and make the purchase economical (Chandon et al., 2000). The variety of stores in malls minimizes the time and effort spent on shopping (Pan and Zinkhan, 2006). Malls are viewed as one-stop shopping centers catering to the needs of all the family members.

8. Limitation of the Study

The following limitations are expected in the study.

1. Chosen Samples may not be representative of the population.
2. The Situation is Gorakhpur city may not represent other city due to different location, economics, and cultures.
3. Shopping malls may offer costly goods and services than outlets.
4. Shopping malls is meant for literate class only.
5. Shopping malls are useful for town areas only
6. Shopping malls are not meant for low income group.

9. Conclusion

No doubt mall cultures are developed in big cities and are developing in small cities. But by my analysis and research on developing mall culture and consumer behaviour in Gorakhpur I came to know that there is yet to do much more in small cities to develop mall culture because people in small town are very rigid and are not ready for change very easily, they follow the same trend as followed by years, because of customer, culture, education, income etc. but then too there is a scope to develop new trends because everything is changing rapidly e.g. Small town teens are coming to metros for education and learning new trends and trying to copy it so now it is viral and hopefully these trends will be adopted by small town soon.

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