CHAPTER – 3

RESEARCH METHODOLOGY
3.1 RATIONALE OF THE STUDY

So what actually is going on in Mall Land India – van-guard of the country’s burgeoning consumerist economy? Research suggests that malls – the physical expression of a society’s retail desire – are booming. But the harsh truth is that what such reports reveal may be interesting but what they don’t is critical – that the heady gold-rush days for retail are clearly over. Oversupply, fierce competition, high rentals, poor infrastructure and shoddy marketing are just some of the problems that are dogging these cathedrals of consumerism. Beneath the gleaming façades, colour coded displays and nattily turned out shop assistants, there is a hum of unrest. Success stories still abound, but tales (often untold till now) of vacant lots, lost investments and shattered expectations are growing with every passing day. The only exception seem to be big cities like Mumbai and Chennai, but not because retailers here have hit upon a clever business model; rather it’s because they don’t have too many malls and the ones that are there are still novel enough for shoppers.

It’s easy to see why retailers in such fancy malls are disenchanted. For one, rentals are high. At Gurgaon’s DLF City Centre, which is across the road from an equally big Metropolitan Mall and boasts of Lifestyle as its anchor store, monthly rentals can be as high as Rs 165 – 190 per sq ft on the ground floor. Plus there are other costs that the retailer must incur in terms of display (it costs Rs 50,000 – 60,000 per month on an average to rent signboard space on the mall façade; this cost varies with the size and the location of the signboard).

The fiercely ever growing shopping malls are not without their share of problems and quite a handful of that too. So what exactly is Effective Mall Management? What is
the success mantra? This research intended to focus on the theory and concept of professional and effective mall management. The study has also tried to investigate the factors which can possibly lead to the expansion of loyalty concept to include preference for a shopping mall – deciding where to buy in an increasingly complex retail mall globe and simultaneously delve into the future of Mom ’n Pop stores and consequently investigate the changing paradigms and emerging challenges of retail centric projects. There is a sharp and contrasting transformation in consumer behaviour in accordance with Indian retail trends and hence this research has tried to find out the shoppers’ retailing attitudes and behaviour in shopping malls, along with the Mall Managers’ perceptions and Mall Promoters’ views about the changing landscape of Indian Retail.

On the other hand, this research has also tried to gain an insight into the changing preferences of the people towards new–age, trendy, swank and ultra modern multiplexes from the cinema houses of yore. Inspite of the higher ticket costs and besides the extra money they have to shell out on parking, eatables etc, people have swarmed the multiplexes and taken to this trend in a big way. This study has tried to examine the reasons for this transformation of the mind sets of the common man.

Moreover, this study has also attempted to investigate the competition posed by the ‘No Frills’ lifestyle stores and the hypermarkets like Big Bazaar, Easy Day etc towards the shopping malls, and whether the former poses any threat to the latter.

Apart from this, the advent of the ‘theme malls’ or ‘niche malls’ has also been examined and their chances of survival in the typical price sensitive Indian market.
3.2 OBJECTIVES

The following were defined as the objectives for the purpose of conducting the research:

1. To study the theory and concept of professional and effective mall / hypermarket management – the critical success mantra for a shopping arcade today.
2. To analyze the factors responsible for the translation of footfalls into actual buying behaviour in increasingly complex retail globe.
3. To establish the decision making criteria of mall / hypermarket shoppers with respect to promotional strategies and tools.
4. To investigate the impact of situational / locational factors on buying decisions towards the evolving retail format – Hypermarkets & Shopping Malls and study ‘demographical segregation’ in mall / store choice behaviour.
5. To delve into and analyze the reasons for changing preferences from cinemas to multiplexes.
6. To find out whether the upcoming ‘Niche Malls’ or ‘Theme Malls’ are important contributors to mall loyalty.
7. To identify and study the effect of determinants of mall loyalty intentions and compare them with that of a stand alone store.
8. To study and compare the burgeoning of “No-Frills-And-Value-For-Money” Hypermarkets like “Big-Bazaar” and “Subhiksha” as against the shopping malls.
3.3 DESIGN OF THE STUDY

3.3.1 SCOPE

The research design for the current study was descriptive in nature. The study was directed at covering the following forms of retailing in the cities of Punjab, Haryana, Chandigarh UT and Delhi State + NCR.

- Shopping Malls
- Hypermarkets

3.3.2 SAMPLING FRAME / UNIT

The sampling frame / units for the study were defined as follows:

1. Customers Visiting Malls / Hypermarkets –

   The Term Customer related to a person who shopped / bought a commodity / consumed a service in the Mall / Hypermarket.

2. Shop Owners in Malls

   The Term Shop owner related to the person who owned any shop / retails outlet and / or was a franchise holder of a retail chain located in the shopping mall.

3. Mall / Hypermarket Developers / Builders / Owners / Promoters

   The Term Mall / Hypermarket developers related to the Persons / Trust / Management / Committee / Society / Organization / Party /
Association / Agency responsible for the erection / construction / commissioning / investment / development in / of the building and infrastructure of the shopping arcade and / or who had a stake in the said venture.

4. Mall / Hypermarket Managers

The Term Mall / Hypermarket managers related to the person(s) who had been employed by the Mall / Hypermarket Developers / Promoters / Owners to look after the administration and management of the mall / hypermarket.

3.3.3 UNIVERSE FOR THE STUDY

All the malls and hypermarkets in the region of Punjab, Haryana and Delhi NCR were taken as the universe for this study. This area in total encompassed 58 malls and hypermarkets, as on Dec 2008 (source www.megamalls.in), when data collection was started. So the universe for this research comprised of 58 Malls & Hypermarkets, which consisted of 31 Malls and 27 Hypermarkets.

3.3.4 SAMPLING SIZE & TYPE

There has been substantial debate over the sample size needed to appropriately conduct tests of statistical significance. The results of many multivariate techniques can be sample specific, and increase in sample size may ameliorate this problem.
(Schwab, 1980). As sample size increases, the likelihood of attaining statistical significance increases, and it is important to note the difference between statistical and practical significance (Cohen, 1969). In the present research, 30 Malls & Hypermarkets were surveyed (50% of the Universe was chosen as the sample for study, after rounding off) and Stratified Random Sampling technique was used during the course of this research.

- **Customers visiting Malls / Hypermarkets** – 450 customers were administered questionnaires either in Person (Hard copies) or by way of Mail / Internet Questionnaires (Soft copies). From the pilot survey, in which 50 customers were interviewed (along with 10 Mall Managers & 25 Retail Outlet Owners), it was found that on an average in these Malls & Hypermarkets, the average footfalls were around 4,500 footfalls daily. 10% of these footfalls were taken as the sample for the study on customers, which came to be 450 customers, out of which 423 customers responded back with filled questionnaires. After validating the filled questionnaires and doing a reliability check, 400 customers’ responses were finalized for the purpose of analysis for the study.

- **Shop Owners in Malls** – 150 Shop Owners were administered questionnaires either in Person (Hard copies) or by way of Mail / Internet Questionnaires (Soft copies). During the pilot study, it was found that on an average there were 100 shops in a typical mall. Out of the 31 malls in the universe, the total average shops came to around 3100 shops. So a 5%
sample was taken, which came to a figure of 150 shop owners (after rounding off) out of which 117 Shop Owners responded back with filled questionnaires. After validating the filled questionnaires and doing a reliability check, 100 Shop owners’ responses were finalized for the purpose of analysis for the study.

- **Mall / Hypermarket Managers – 30 Mall / Hypermarket Managers** were administered questionnaires either in Person (Hard copies) or by way of Mail / Internet Questionnaires (Soft copies). After conducting the pilot study, from the universe of 58 Malls & Hypermarkets, 50% of the total universe was taken as the sample for the study of managers, which came to around 30 Mall / Hypermarket managers (rounded off), out of which, 23 Managers responded back with filled questionnaires. After validating the filled questionnaires and doing a reliability check, 20 Mall / Hypermarket Managers’ responses were finalized for the purpose of analysis for the study.

- **Mall / Hypermarket Developers / Builders / Owners – 20 Mall Developers / Builders / Owners** were administered questionnaires either in Person (Hard copies) or by way of Mail / Internet Questionnaires (Soft copies). During the pilot study, it was found that there are multiple Partners / Promoters / Builders / Developers / Owners involved in the commissioning or operations / ownership of a mall / hypermarket. Hence from the universe of 58 Malls & Hypermarkets, it was found that there were 78 Promoters / Builders / Developers / Owners in the said population. Therefore, a 25%
sample was chosen for the purpose of this study, which came to 20 Developers / Builders (after rounding off) out of which 13 Mall / Hypermarket Developers / Builders / Owners responded back with filled questionnaires. After validating the filled questionnaires and doing a reliability check, 10 Mall Developers / Builders / Owners’ responses were finalized for the purpose of analysis for the study.

3.4 THE SCALE DEVELOPMENT PROCESS

Many criteria have been proposed for assessing the psychometric soundness of measurement instruments. The American Psychological Association (APA, 1995) states that an appropriate operational definition of the construct, a measure purports to represent, should include a demonstration of content validity, criterion-related validity and internal consistency. Together, these provide evidence of construct validity – the extent to which the scale measures what it is purported to measure. Construct validity forms the link between theory and psychometric measurement (Kerlinger, 1986), and construct validation is essential for the development of quality measures (Schmitt & Klimoski, 1991). With respect to scaling the items, it is important that the scale used generate sufficient variance among respondents for subsequent statistical analyses (Stone, 1978). Although there are a number of different scaling techniques available, such as Guttman and Thurstone, but Likert-type scales are the most frequently used in survey questionnaire research (Cook et al., 1981) and are the most useful in behavioural research (Kerlinger, 1986). They also are most suitable for use in factor analysis. Although researchers have used 7–
point and 9–point scales, Likert (1932) developed the scales to be composed of five equal appearing intervals with a neutral midpoint, such as Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree, Strongly Agree. Coefficient alpha reliability with Likert scales has been shown to increase up to the use of five points, but then it levels off (Lissitz & Green, 1975).

3.4.1 ITEM GENERATION FOR THE FORMULATION OF QUESTIONNAIRES

Questionnaire design involves the decision about which items will best reflect the underlying construct the research intends to measure. The first stage of scale development is the creation of items to assess the construct under examination (Hinkin, 1998). The key to successful item generation is the development of a well-articulated theoretical foundation that would indicate the content domain for the new measure. At this point, the goal of the researcher is to develop items that will result in measures that sample the theoretical domain of interest to demonstrate content validity. Domain sampling theory states that it is not possible to measure the complete domain of interest, but that it is important that the sample of items drawn from potential items adequately represents the construct under examination (Ghiselli, Campbell, & Zedeck, 1981).

Existing review of literature regarding the description of parameters of Customers’, Managers’, Retailers’ and Developers’ stances and opinions, was considered and accordingly statements were formed related to each of the above mentioned sample units’ attitudes, perceptions and mind–sets. Abstracts, dissertations, various journals were screened and studied thoroughly for forming the relevant statements. Informal
interviews were also held with mall managers, mall developers, retailers (both within and outside the shopping malls) in order to gauge the changing perspectives of the organized but extremely competitive retail scenario.

In order to examine, evaluate and analyze in detail, the perceptions and attitudes of the various sample units of the study, namely Customers, Retailers, Managers and Developers, four different questionnaires / scales were developed for each of the sample units.

The questionnaires for all the four sample units consisted of 8 factors. The 8 factors of the questionnaires broadly pertained to the following:

1. ‘Layout / Ambience / Arrangement of the Mall / Hypermarket’.

2. ‘Influencing factors directing purchase behaviour’.

3. ‘Promotional strategies and endorsement tools in a Mall / Hypermarket’.

4. ‘Locational and Situational considerations influencing choice of a Mall / Hypermarket’.

5. ‘Functional disparity between a Multiplex and a conventional format Cinema Theatre’.

6. ‘Theme malls / Niche Malls positioned against General Malls’.

7. ‘Stand–Alone Retail Store(s) as against Store(s) in a Mall’.

8. ‘Buying behaviour disparity between a Hypermarket and a Shopping Mall’.
In the **Customers’ questionnaire**, the 8 factors had different sets of questions totalling around **80 statements**, apart from the demographical questions and the questions seeking general information and also the behavioural data, facts and statistics. The concluding opinionated set of statements pertained to the ‘*Reasons for Mall / Hypermarket Loyalty*’ and ‘*Expectations from an Ideal Mall / Hypermarket*’.

In the **Mall / Hypermarket Managers’ questionnaire**, the 8 factors had around **70 statements**, apart from the questions seeking facts and statistics relating to their mall(s) / hypermarket(s). The entire questionnaire was divided into 2 parts: the 1<sup>st</sup> part was an opinionated set of statements targeted towards judging their perceptions and mind–sets and the 2<sup>nd</sup> part was directed at acquiring demographical and factual analysis.

In the **Mall / Hypermarket Developers’ questionnaire**, the 8 factors again had around **70 statements**, apart from the questions seeking facts and statistics relating to their mall(s) / hypermarket(s). The entire questionnaire was divided into 2 parts: the 1<sup>st</sup> part was an opinionated set of statements targeted towards judging their perceptions and mind–sets and the 2<sup>nd</sup> part was directed at acquiring demographical and factual analysis.

In the **Retailers’ questionnaire**, the 8 factors had around **90 statements**, apart from the demographical questions and the questions seeking general information and also the behavioural data, facts and statistics of their customers and the outlets. Again the questionnaire was divided into an opinionated set of statements targeted towards judging the retailers’
perceptions and mind–sets and another set directed at acquiring demographical and factual analysis.

Customers, Managers, Retailers and Developers were instructed to mark their options on a 5–point descriptive Likert instrument design. The items were operationalised using 5–point response formats (1 = Strongly Agree through 5 = Strongly Disagree).

3.5 PROCEDURE

Source of the data was primary as well as secondary sources, and the tool used for primary data collection was questionnaire. The sample population was contacted by meeting in person and by sending soft copies of the questionnaires by way of email. In addition, an online survey was also carried out with the help of Question Pro whose URL is http://questionpro.com.

Four different URLs were developed for online filling and submission of Questionnaires (Samples / Screen Shots of the Questionnaires are appended at the end of the thesis)

Questionnaire for Customers: http://sandeepvirdi.questionpro.com

Questionnaire for Shop Owners: http://mallretailers.questionpro.com

Questionnaire for Managers: http://mallmanagers.questionpro.com

Questionnaire for Owners / Developers: http://mallowners.questionpro.com
The respondents were detailed on the procedures and particulars to fill the questionnaire, prior to their filling up of the questionnaires. Those who failed to complete the forms appropriately in the requisite fields or filled the questionnaires only mid-way, those particular responses were disregarded. Data from the 530 completed questionnaires (400 customers; 100 shop owners; 20 Mall Managers and 10 Mall Developers / Promoters) was fed into the Statistical Package (SPSS) and checked for entry errors and validity.

It would be pertinent to mention here that the raw data obtained was statistically treated, by assigning a weightage of 5, 4, 3, 2 and 1 to Strongly Agree, Agree, Neutral Disagree and Strongly Disagree respectively, for the positive items. These numerical weights were reversed for negative items i.e. 1, 2, 3, 4 and 5 for Strongly Agree, Agree, Neutral Disagree and Strongly Disagree items respectively. In this way, the score for each of the respondents was computed by summing up the weightage of the individual’s items’ responses.

3.6 RELIABILITY & VALIDITY

Once the data has been collected, it is recommended that factor analysis be used to further refine the new scales. Factor analysis allows the reduction of a set of observed variables to a smaller set of variables (Hinkin, 1998). This creates a more parsimonious representation of the original set of observations providing evidence of construct validity (Guadagnoli & Velicer, 1988). Prior to conducting the factor analysis, the researcher may find it useful to examine the interim correlations of the variables, and any variable that correlates at less than 0.4 with all other variables may
be deleted from the analysis (Kim & Mueller, 1978). A key assumption in the domain sampling model is that all items belonging to a common domain should have similar average intercorrelations. Low correlations indicate items that are not drawn from the appropriate domain and that are producing error and unreliability (Churchill, 1979).

Eigen values of greater than 1 (Kaiser Criterion) and a Scree test of the percentage of variance explained (Cattell, 1966) should be used to support the theoretical distinctions. The percentage of the total item variance that is explained is also important; the larger the percentage the better. Once again, there are no strict guidelines, but 60% could serve as a minimum acceptable target. At this stage, inappropriately loading items can be deleted, and the analysis repeated, until a clear factor structure matrix that explains a high percentage of total item variance is obtained (Ford et al., 1986; Kim & Mueller, 1978).

Reliability is the accuracy or precision of a measuring instrument and is a necessary condition for validity (Kerlinger, 1986). Reliability may be calculated in a number of ways, but the most commonly accepted measure in field studies is internal consistency reliability using Cronbach’s Alpha (Price & Mueller, 1986). Use of this statistic is also recommended when used in conjunction with factor analysis (Cortina, 1993). At this step, the internal consistency reliabilities for each of the new scales are calculated. A large coefficient alpha (0.70 for exploratory measures; Nunnally, 1978) provides an indication of strong item covariance and suggests that the sampling domain has been captured adequately (Churchill, 1979). If the number of retained items at this stage is sufficiently large, the researcher may want to
eliminate those items that will not negatively affect the reliability of the scales. This step is justified because the unidimensionality of individual scales has been established through the factor analyses previously conducted. Cortina (1993) found that alpha is very sensitive to the number of items in a measure, and that alpha can be high in spite of low item intercorrelations and multidimensionality. This suggests that 0.70 should serve as an absolute minimum for newly developed measures, and that through appropriate use of factor analysis, the internal consistency reliability should be considerably higher than 0.70. Most statistical software packages produce output that provides reliabilities for scales with individual items removed. At this stage, it is possible to retain those items that contribute to the internal consistency reliability and adequately capture the sampling domain. Reporting internal consistency reliability should be considered absolutely necessary.

Prior to the data collection stage for the study, the questionnaires were tested for their easy understandability, accuracy and verifiability. A pilot survey was initially carried out on 50 Customers, 25 Shop Owners, 10 Managers and 5 Developers from Hypermarkets and Shopping Malls from the areas covering Delhi + National Capital Region, Haryana, Punjab and Chandigarh UT. The questionnaires were found to be reliable and valid for the current study and their scores were as follows:

| Questionnaire for Customers: | Reliability 0.81 and Validity 0.89 |
| Questionnaire for Shop Owners: | Reliability 0.85 and Validity 0.91 |
| Questionnaire for Managers: | Reliability 0.82 and Validity 0.87 |
| Questionnaire for Owners / Developers: | Reliability 0.84 and Validity 0.90 |
Principal components factor analysis with varimax rotation was used to condense the items and apparently as a means to deleting items.

3.7 STATISTICAL ANALYSIS

Appropriate statistical techniques like measures of dispersion & divergence, t–test, chi–square test, among others, were used suitably to analyze the data. Apposite use was also made of S.P.S.S. (Statistical Package for Social Sciences) and MICROSOFT-EXCEL Packages.
3.8 BIBLIOGRAPHY


