CHAPTER I
INTRODUCTION AND DESIGN OF THE STUDY

INTRODUCTION

1.1. RETAILING

Retail comes from the French word retailer which refers to "cutting off, clip and divide" in terms of tailoring (1365). Retailing consists of the sale of goods or merchandise from a fixed location, such as a department store or kiosk, small or individual lots for direct consumption by the purchaser. Retail establishments are often called shops or stores. Retailers are at the end of the supply chain. Manufacturing or marketers see the process of retailing as a necessary part of their overall distribution strategy. Shopping center or mall, mostly found in the central business district. Shopping generally refers to the act of buying products. Sometimes this is done to obtain necessities such as food and clothing; sometimes it is done as a recreational activity. The retailing is classified into two broad ways one is organized and second is unorganized. The major differences between the organized and unorganized retailing lies in its number of store operations. An unorganized retail store may be just stand alone in a city, where as organized retail store are “any retail chain” which is professionally managed.

A successful organized retailer predicts consumer demand and reduce inventory holding thereby saving cost. Presently Retailers are offering newer service dimensions and include entertainment factors to create unique shopping experiences for the customers to gain better image of the mall. Competitive Image of shopping mall from others is a critical component today’s mall management. According to the report by Northbridge Capita, Indian retail industry is expected to grow up to US $833 billion by the year 2013 and reach US $1.3
trillion by the year 2019 at a compound annual growth rate (CAGR) 10%. In India the consumer spending pattern has enormously increased and in the last few years, the consumer spending in India has raised up to 75%. As a result of increase in disposable income, Indian retail industry is expected to grow. In fact, malls play a major role in consumers’ lifestyle. The newly established malls are able to attract the shoppers into malls due to its entertainment facilities available as per the customers wants. Most of the organized retailers outlets, to set up their shops in high streets. With limited number of high streets in a city, malls are turning out to be the best places to find the target customers.

1.2. RETAIL MARKET IN INDIA

After Liberalization, Privatization and Globalization era, retailing in India is getting more attraction like never before. In service industry, especially retailing sector growth is very rapid and moving steep upward trend. The concept of retail business into “RETAIL IN DETAIL”, emergence of giant sized retail business in the name of malls and the government’s policy to allow foreign direct investments in retail business also change the life style and the buying patterns and preference of the consumers in India. Retail sector contributes towards practical income is more than 50% of GDP and its annual growth is estimated 8.9% in current years. It is one of the fastest developing sectors and it is gained fifth place in the top five retail market in the world by economic value. As the Indian council for research and international Economic relations (ICRIER) retail sector is expected to contribute 22 percent of the India’s GDP. In India, Retailing is predominantly unorganized. And the growth of organized retailing, especially in metros are very high and attractive in

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nature. Retailing in India is gradually inching its way toward becoming the next boom industry.

Modern retail sector in the form of sprawling shopping centers, multi-storied malls and huge complexes, offer shopping, entertainment and food all under one roof. The Indian population also witnessing a significant change and its demographics. The large young working population, nuclear families in urban areas, along with increasing working-women are emerging opportunities in the services sector are going to be the key growth drivers of the organized retail sector in India. Over 12 million outlets operate in the country and only 4% of them being larger than 5000 sq.ft. in size, Retail chains, like Pantaloons Retail, RPG, Shoppers Stop, Westside (Tata Group) and Lifestyle International. The foreign retailers like Wal-Mart, Carrefour SA, Europe's largest retailer and Tesco Plc., the UK's largest retailer, were keen to enter this growing market. In the last few years, Indians have gone through a dramatic transformation in lifestyle by moving from traditional spending on food, groceries and clothing to lifestyle categories that deliver better quality and taste. This are the need of the hour to understand the consumers and to deliver much more better service.

1.3. CUSTOMER PERCEPTION

The Indian marketing conditions in particular the role of the government and the steadily emerging consumer perception and movement necessitates that markets in India must understand buying behavior of consumers their needs, aspirations, expectations and problems. Customer is someone who makes use or receives of the product or service of an individual or organization. the historically derived from “custom” meaning “habit “a customer was someone who frequented a particular shop, who made it habit too good of the

short the shop sold their rather than elsewhere and with whom the shopkeeper had to maintain a relationship to keep his “custom “it means expected purchases in the future. In psychology and the cognitive sciences perception is the process acquiring interpretation selection and organization. The word perception comes from the Latin meaning receiving collection & action of taking a possession. Apprehension with the mind or sense

It is a method of studying perception is essentially biological or physiological approaches though psychological approaches though the philosophy of mind and in empiricist epistemology. So it is important to understand the customers’ mind about the shopping malls is to make better policy decision regarding mall management. Outcome this, the researcher chosen to study how customers’ perceived the promotional factors in a mall such as Artistic design, entertainment, service offered in mall, security aspects and image.

1.4. CUSTOMERS’ SHOPPING BEHAVIOR

The importance of studying shopping behavior of consumes is rooted in the modern marketing retail concept it attempts to solve consumption problems of consumers. However no business can possibly help consumer solve their consumption problem unless the marketer understands the buying behavior of the consumers and makes an attempt to comprehend the buying process and the factors influencing it. Shopping and shopping behavior have been interesting subjects for academicians over the decades. According to consumer behavior model, both situational and non-situational stimuli shape consumers’ responses to their environments. Specifically, malls’ atmospheric elements, nature of assortments, potential to provide a comfortable shopping experience, entertainment orientations, non-shopping related facilities, promotional activities, and social environments are identified as situational factors

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influencing consumers’ mall shopping behaviors. Shopping Centre is a place to socialize and for recreation. There are various purposes for consumer visiting shopping Centre which are to do shopping, entertainment, to rest, spend time with friends etc. Shops, food court, restaurants, cinema, children's games area, interactive entertainment, social use areas, relaxation places and promotion areas now become a major component in shopping Centre. Presently consumers are looking for more than just a good price or quality. Instead, shoppers are looking for value, a combination of high quality and low price. Retailers need to emphasize the benefits consumers may receive from owning a product. Promoting a low price is not enough. Shopping enjoyment can be fueled by the mere enjoyment in shopping for and acquiring new products and services. It can also be explained by the fact that some individuals enjoy the chance to socialize with others while shopping at malls. Some individuals view shopping as a means of gaining respect and feeling a sense of accomplishment. In fact, shopping malls play a key role to show consumer's life style. They not only a Centre for shopping but also a community centers for social and recreational activities.

1.5. IMPORTANCE OF THE STUDY

As all consumers are not alike and their shopping patterns and preferences are constantly changing, they prefer varieties of products which reflect their own needs, personalities and life styles. The importance of urban customers are expected to fulfill the purchasing needs and assuring the security of satisfactory shopping. The purpose and importance of this study is to assess the customer perception towards mega retail malls and their shopping patterns. More specifically, this study will determine how general shopping

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characteristics will affect consumers' responses with excitement available in the shopping malls and, how, it will affect their shopping patterns, and it include amount of money spent and impulse purchase made at the mall. Finally, the study will determine the effects of the shopping patterns have any repurchase intention, on attractiveness available in mega retail malls.

1.6 STATEMENT OF THE PROBLEM

The study of customers’ behavioral aspects is great importance for retail marketers and this knowledge is applied to find out the consumers wants and needs. The consumers perception and shopping behaviour in Urban cities like wise. A Bangalore consumer seeks different varieties of products but retail shopping centers offer only few varieties. Building entertainment places into the shopping Centre is a tactic being used to attract shoppers. A study with shopping behavior of Bangalore consumer will help to understand behavior of mall visitors and also help the marketers and retailers in framing their marketing strategies can be more capable of meeting their wants and needs. The research has done in mall shopping behavior of urban customers; no study deal with elements of customer’s perception and shopping behavior. In order to bridge this gap in this important area of marketing the present study titled as “a study on customers’ perception and shopping behaviour in retail malls with special reference to Bangalore city” was undertaken.

The present study has two dimensions such as,

1. To study the customers’ perception towards mega retail malls and

2. To understand the mall shopping behavior among customers of Bangalore city.

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6 Velavan.A.”A Study on shopping pattern and preference of consumer products, October (2009)PP.3
1.7. OBJECTIVES OF THE STUDY

1. The first and general objective is to assess the socio-demographic profile of the customers of Bangalore city.

2. To study the customers’ perceptions towards retail Malls in Bangalore city.

3. To understand the factors influencing the mall shoppers’ buying behavior.

4. To examine the shoppers' satisfaction level on promotional activities in retail malls.

5. To offer suggestion to retailers to maximize the service to customers at shopping mall.

1.8. RESEARCH METHODOLOGY

This research has both descriptive and empirical in nature. It aims to exploring result based on higher order mathematical and statistical tools.

1.8.1. Research Design:

The researcher has applied stratified random sampling for selecting the target respondents from Bangalore city used for conducting this research work because this design enables the researcher to study the problem at given point of time of the population. To develop and approach to the problem and to formulate an appropriate research design, primary and secondary data has been used.
1.8.2. SAMPLE AREA DISTRIBUTION

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the Mall</th>
<th>Sample Distribution</th>
<th>Percentage of the sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gopalan Innovation Mall</td>
<td>55</td>
<td>11</td>
</tr>
<tr>
<td>2</td>
<td>Garuda Mall</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>The Forum</td>
<td>43</td>
<td>8.6</td>
</tr>
<tr>
<td>4</td>
<td>Bangalore Central</td>
<td>67</td>
<td>13.4</td>
</tr>
<tr>
<td>5</td>
<td>Leela Galleria</td>
<td>62</td>
<td>12.4</td>
</tr>
<tr>
<td>6</td>
<td>Mantri Square</td>
<td>34</td>
<td>6.8</td>
</tr>
<tr>
<td>7</td>
<td>Sigma mall</td>
<td>60</td>
<td>12</td>
</tr>
<tr>
<td>8</td>
<td>Orion mall</td>
<td>54</td>
<td>10.8</td>
</tr>
<tr>
<td>9</td>
<td>Total Mall</td>
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</tr>
<tr>
<td>10</td>
<td>Royal Meenakshi Mall</td>
<td>45</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>500</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data

1.8.3. Study Area Profile:

Today, Bangalore is 5th largest and 2nd fastest growing city in India. It has become the IT hub of India. It is the capital of the Indian state of Karnataka. Bangalore is nicknamed as Garden City for its gardens and parks. It has located on the Deccan Plateau in the south-eastern part of Karnataka; Bangalore is India's third most populous city and fifth-most populous urban agglomeration. It is among the top 10 preferred entrepreneurial locations in the world. This research was chosen in Bangalore city because many retail malls were available in this study area. With the outset the researcher was conducted this research to assess the customers perception and shopping behavior in retail malls.

1.8.4. Sources of Data

The sources of data are primary as well as secondary. Secondary data has been collected from library of IIMA, IIM Bangalore, University of Madras, Anna University Chennai. And various books, Journals, Magazines, reports, dailies etc. A Structured
questionnaire was used as instrument for collecting the primary data. The study questionnaire was mainly contented which were closed ended. The questionnaire was pre-tested before final use. Some senior professionals associated with retailing also evaluated the questionnaire.

1.8.5. Sample Size

Sample chosen for the study covers different area of Bangalore City. Totally, 540 visitors are selected on stratified random sampling method. Out of the sampling, 520 customers only returned the filled in questionnaires and of them, 500 only are usable. Hence, the exact sample of the study has 500.

1.8.6. Period of the Study

The period of the research study is three years, starting from March 2010. The researcher took first six months to collect the review and identify the research gap. Another six months were spent to draft the research design and prepare data collection instrument and then conducted the pilot study. After finalizing the questionnaire, one year have spent to collect the data from the target respondents. The researcher took six months to analyses and interprets the collected data.

1.8.7. Data Collection

The data are collected for this study by means of three sections. The first section of the questionnaire was framed to obtain general information and about the visitors of shopping malls. The second section deals with customers’ general shopping behavior when they have visited the shopping malls. And the Third section covers the customers’ perception over the mall attractive factors such as artistic, convenience, relaxation, attention etc. The questionnaire with a covering letter is handed over personally to each and every respondent and they are requested to return the filled questionnaire.
1.9. PILOT STUDY

After the formulation of questionnaire, a pilot study was conducted. A sample of 100 respondents was collected in different geographical area of Bangalore city particularly visitors of shopping malls. Based on the answering of the respondents and their suggestions relevant modifications were done by experts, finally questionnaire instrument was finalized.

The researcher has a By using advanced SPSS package to find out the alpha value for the reliability test. The alpha value was 0.897 which is statistically significant.

1.10. Reliability test (pilot survey)

Scale: ALL VARIABLES

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
</tr>
<tr>
<td>.897</td>
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</table>

Since the Alpha value for the Reliability test was 0.897 (i.e.) value is very nearer to the 1 for 78 items in the study, it is concluded that the primary data which was used for this study is reliable and valid one for the further analysis and interpretation.

1.11. TOOLS FOR DATA ANALYSIS:

The processing, classification, tabulation, analysis and interpretation of data were done with the help of SPSS (20.0) software package. The following statistical tools and mathematical techniques have been applied based on the nature of data collected from respondent’s variable.
1. **PERCENTAGE ANALYSIS:** This tool is used to study the general characteristics of customers which include age, education, occupation, income level, etc. Percentages were worked out for understanding the consumer awareness, attitude, and preference and customers perception of shopping mall.

2. **TWO-WAY TABLE:** This tool is used to study the satisfaction level of customers educational qualification, monthly income, service, frequent visit and distance from housemate, etc.,

3. **CHI-SQUARE TEST:** This statistical tool is used to measure the customers level of satisfaction with regard to their shopping characteristics of demographic factor.

4. **MULTIPLE REGRESSION ANALYSIS:** This tool is applied to find out the factors influencing the customers’ satisfaction among urban mall shoppers, attractiveness of the mall keeping in mind their shopping characteristics, frequency of visiting malls. It also deals with the simple ANOVA table. Promotional activities of the mall.

5. **FACTOR ANALYSIS:** This method is applied to analyze the variables of shopping behavior with regard to Mall attractive factors, KMO and BARTLETT'S test of mall shoppers.

6. **ONE – WAY ANALYSIS OF VARIANCE (ANOVA):** is used to identify the significant differences with regard to customers perception and shopping behavior along with the various factors like shopping behavior of the customers.

1.12. **OPERATIONAL DEFINITION:**

**Services Marketing:**

A service is the action of doing something for someone or something. It is largely intangible (i.e. not material). You cannot touch it. You cannot see it. You cannot taste it. You
cannot hear it. You cannot feel it. So a service context creates its own series of challenges for the marketing manager since he or she must communicate the benefits of a service by drawing parallels with imagery and ideas that are more tangible.

**Consumer/customer:**

Everyday purchaser of a good or service in retail end user, and not necessarily a purchaser, in the distribution chain of a good or service and has the ability to choose between different products and suppliers.

**Consumer buying behavior:**

Process by which individuals search or select, purchase and dispose of goods and services, in satisfaction of their wants and needs.

**Consumer decision making:**

Process by which consumers identify their needs, collect information, evaluate alternatives, making the purchase decision these actions are determined by psychological and economic factors, and are influenced by environmental factor such as culture, group, and social values.

**Consumption expenses:**

Expenses incurred consumption, as opposed to expenses incurred in production of goods and services. Expenditure during a particular period on goods and services used in satisfaction of needs and wants.

**Retail:**

Retail involves the sale of goods from a single point (malls, markets, department stores etc.) directly to the consumer in small quantities for his end use. In a layman’s language, retailing is nothing but transaction of goods between the seller and the end user as
a single unit (piece) or in small quantities to satisfy the needs of the individual and for his direct consumption.

**Direct Marketing**

Direct marketing has its roots in mail-order marketing but today includes reaching people in other ways than visiting their homes or offices, including telemarketing, television direct response marketing, and electronic shopping.

**Shopping:**

The process of purchasing products by the consumer is called as shopping. However there are certain cases where shopping does not always end in buying of products. Sometimes individuals do go for shopping but return home empty handed. Such a shopping is merely for fun and is called window shopping. In window shopping, individuals generally go to the market, check out various options and their prices but do not buy anything. This kind of shopping helps to break the monotony.

**Customer satisfaction:**

The customer's evaluation of a good or service in terms of whether that good or service has met their needs and expectations

**Understanding customer expectations of service:**

According to Parasuraman/ Berry/ Zeithaml (1991b) customers have different types of expectations about service, classified in two service levels: The desired service level is the service the customer hopes to receive (“can be” or “should be” expectations). The adequate service level is the service the customer finds acceptable (“will be” expectations) and reflects the minimum performance level expected by the customer without being dissatisfied. These two service level expectations are the upper and lower boundary of the zone of tolerance.
1.13. LIMITATIONS

The study has the following limitations.

1. The Universe being large, the study was restricted to customers residing in selected areas of Bangalore city only.
2. The sample size of the study is limited to 500 only.
3. The data were collected only from visitors of selected malls in Bangalore city.
4. Individual Mall has not selected for the study. Thus, the study is conducted with a macro approach.

1.14. CHAPTER PLAN

The different processes regarding the study have been discussed in six chapters.

The contents of each chapter are given below.

Chapter I – Introduction: This chapter deals with the profile of organized retail Industry in India. It includes customer perceptions and shopping behavior in mall, need and important of the study, statement of the problem, scope of the study, objectives of the study, Research methodology, Limitations of the study, operational definitions and the chapter scheme.

Chapter II - Review of Related Literature: It sketches a detailed review of literature relevant to the present study. Research findings of previous studies on customers’ perceptions and shopping behavior of mall goers and the influencing factors of mall’s environment on buying decision of the customers.

Chapter III - CONCEPTUAL FRAMEWORK AND BANGALORE CITY PROFILE: This chapter included the customers Perception and shopping behavior in retail malls and brief profile of Bangalore city.
Chapter IV – Analysis and Interpretation: This chapter highlighted the application of factors analysis on the demographic and socio- economic factors affecting the buying behavior of the customer in respect to mall shopping. Also this chapter deals with the help of some statistical tools like application of ANOVA, MULTIPLE REGRESSION, CHI-SQUARE technique were taken to analyses the influence of demographic variable on the mall shopping behavior.

Chapter V - Summary of Findings, Conclusions and Suggestions: This chapter summarizes the findings of the study and conclusions arrived at from the study along with the suggestions to the mall owners, shoppers and mall managers for framing their marketing strategy suitably and successfully. Also it is continued with reference, bibliography and annexure.