“A STUDY OF CONSUMER BEHAVIOUR IN SHOPPING MALLS WITH A SPECIAL REFERENCE TO MUMBAI REGION”

1. INTRODUCTION:

India is one of the emerging markets in the global economy. Since liberalization, the country has witnessed growth at unprecedented rate. With reforms in almost all the sectors, the country has seen growth in infrastructure, capital markets, banking, insurance, etc. This advancement has given rise to a new sector in the country in the form of retail industry. With growth of industry, the employment levels have increased and that has led to the increase of disposable income of the common consumer.

Every decade calls upon company management to think freshly about its objectives, strategies, and diplomacy. Rapid changes can easily make outdated yesterday’s winning principles for conducting business.

What are new challenges? Managements are under pressure with increased global competition, environment decline, infrastructure neglect, low labour skills and host of other economic, political and social problems.

Yes, there are problems, but they are also opportunities. The globalize market means that companies can count on a much larger market potential for their goods and services. Environment decline presents countless opportunities to companies that can create more effective means of cleaning up the environment. Infrastructure neglect will provide huge opportunities for companies in construction, transportation,
A study of consumer behaviour in shopping malls with a special reference to Mumbai Region - Abstract

communication industries. Low labour skills will challenge educational and training companies to design more effective programs for upgrading human skills.

The concept of exchange leads to the concept of a market. A market consists of all the potential customers sharing a particular need or wants who might be willing and able to engage in exchange to satisfy that need or want. Market stood for the place where buyers and sellers gathered to exchange their goods. The sellers and the buyers are connected by four flows. The sellers send goods and services and communication to the market in return they receive money and information.

Marketing is one of the challenges that are facing by today’s businesses. Marketing is a social and managerial process by which individuals and group obtain what they need and want through creating offering, and exchange products of value with others.

Marketing thinking starts with the fact of human needs and wants. There is no doubt that people’s need and wants are staggering. People satisfy their need and want with goods and services i.e. product. A product is everything that can be offered to satisfy a need or want. Manufacturers often make the mistake of paying more concentration to their physical products than to the services produced by these products. They see themselves as selling a product rather than providing a solution to a need.

The gradual increase in GDP and the purchasing power of Indians provides an excellent opportunity for organized retailing. The fast and furious pace of growth of the Indian economy is the driving force for Indian consumerism. Projections by analysts suggest that India has the potential to be labeled the fastest-growing economy and outpace the developed economies by 2050. India presents a significant market with its young population just beginning to embrace significant lifestyle changes. The demographic and economic facts widely quoted are undoubtedly impressive but in order to assess the true nature of retail opportunities, we need to understand the deep
A study of consumer behaviour in shopping malls with a special reference to Mumbai Region - Abstract

transformation that is occurring in Indian consumer behavior due to changing lifestyles, rising aspirations and the emergence of a dynamic youth culture. Against the backdrop of an accelerating modern retail revolution, India offers to be an attractive destination for global corporations and leading retailers seeking emerging markets overseas. Retailing in India is receiving global recognition and attention and this emerging market is witnessing a significant change in its growth and investment pattern. Some of the highlights of the Indian Retail sector are: The Indian retail industry accounts for 10% of GDP and 8% of employment.

- India is being touted as the next big retail destination with an average three year compounded annual growth rate of 46.64%.
- The Indian economy is poised to take the third position in the world in terms of Purchasing Power Parity.
- The Indian Retail Market is an Rs.1, 200,000 million markets as per the Images India Retail Report 2007.
- Organized Retail market is zooming ahead with an annual growth rate of 30%.

The Retail sector is vibrant with growth happening in all related areas - be they malls, hypermarkets or single brand luxury stores, they have dotted the commercial landscape of the metros, and have even percolated to the Tier II and Tier III cities. It is not just the global players like Wal-Mart, TESCO and Metro group are eying to capture a pie of this market but also the domestic corporate behemoths like Reliance, KK Modi, Aditya Birla group, and Bharti group too are at some stage of retail development. Reliance, announced that it will invest $3.4 billion to become the country's largest modern retailer by establishing a chain of 1,575 stores. Development of mega malls in India is adding new dimensions to the booming retail sector. Shopping experience in the nation of shopkeepers is changing and changing very fast. Malls are fast becoming sought-after entertainment hotspots.

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Food and Grocery retail holds the most potential, as almost 99% of it is unorganised. A number of big players are entering the field of organised food retail like Reliance, Aditya Birla Group and the Bharti Group, which has tied up with the world’s largest retailer - WalMart. All these major players are expected to show an annual growth rate of 25-30%.

**CONSUMER:**

Simply speaking, consumer is a person who consumes or uses various goods and services. Goods may include consumable goods (like wheat, salt, sugar, fruits etc.) or durable consumer goods (like T.V., Refrigerator, Toaster, etc). Services that we buy may include electric power, Transport, Professional’s advices etc.

“Anybody who chooses goods and services spends money to obtain them and uses to satisfy his or her own needs.”

**CONSUMER BEHAVIOUR:**

Consumer behaviour is the study of human response to products and services. It is important to understand “Why” & “How’s” of buyers behave so manufacturer can do a better job of developing quality of product, charging reasonable price, improvement in distributing product through various channels, and promoting goods and services with various promotion measure for the group of consumers.

The study of consumer behaviour has its roots in examining people for the sake of understanding and going insight. Consumers are like finger prints, no two consumers are same in their behaviour.

Consumers are shaped to some extent by the environment in which they live they in term affect environment through their behaviour. The fundamental goals of every business are to achieve full profit potential out of target consumer with various needs and taste there are many similarities also among them. Therefore
it becomes necessary to study target consumer wants, perception preferences and buying behaviour.

The behaviour that consumer display in searching, purchasing eliminating and disposing of goods and services which make them to essence of study of consumer behaviour.

To study the changing pattern of consumer behaviour and penetration, the result can get by doing survey so I decided to do survey on Mall.

Consumer behaviour obviously refers to the behaviour of consumers in deciding whether to buy or not to buy, whether to use or not to use, whether to dispose off or not to dispose of the products, which satisfy their needs. Consumer behaviour also refers to the use of scarce resource like time, money and efforts on consumption items.

**Consumer behaviour tries to answer the following question:**

1. What products and services consumer buy?
2. What makes consumer to buy?
3. When these are bought by consumer?
4. From where the consumer buy?
5. What is the frequency of buying? How often consumer use it?

I will undertake what is known as “consumer research” to find the answers to the above questions. These answers will provide help to the manufacturers in the design, development and further improvement of their product. It also enables them to design their promotional strategies.

A purchaser or buyer is not necessarily being a consumer. Generally parents also buy for their children in this case they are not the user but, the children. Sometimes a product brought may be used jointly. It is also noted that the decisions to buy may influence by a number of persons. A marketer has to buy may influence by
an either to the buyer or the user or the influencers. Some think that the best audience is that of buyers, while some others think that it is that of the users. It is possible to play safer by directing the promotion to both the buyer and user. Medicines are promoted through the doctors, who take the product selection decision, but they neither buyers nor user.

Why We Study Consumer Behaviour?

The study of consumer behaviour is the study of how individuals make decisions to spend their available resources (time, money, efforts) on consumption-related items. It includes the study of what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, and how often they use it.

Just as consumer and marketers are diverse, the reasons why people study consumer behaviour are also diverse. The field of consumer behaviour holds great interest for us as consumer, as marketers.

As consumer, we benefit from our own consumptions-related decision: what we buy, why we buy, how we buy, and the promotional influences that persuade us to buy. The study of consumer behaviour enables us to become better, that is, wiser, consumer.

As marketers and future marketers, it is important for us to recognize why and how individuals make their consumption decisions, so that we can make better strategic marketing decisions. If marketers understand consumer behaviour, they are able to predict how consumers are likely reacting to various informational and environmental causes, and are able to shape their marketing strategies accordingly. Without doubt, marketers who understand consumer behaviour have great competitive advantage in the marketplace.

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A study of consumer behaviour in shopping malls with a special reference to Mumbai Region - Abstract

Mumbai region is an independent district divided into two parts viz Mumbai city and Mumbai suburban, having large number of population. It consisted three talukas and eighty seven villages into it. The jurisdiction of Mumbai is from Churchgate to Dahisar in western line, CST to Mulund in main line and CST to Mankhurd in harbour line.

2. SIGNIFICANCE OF THE STUDY:

Retail shops / outlets in India are spread across Mumbai city in high and busy street, neighborhood strips, shopping centers and shopping malls. The present study will help to understand the consumer behavior in shopping mall with special reference to Mumbai region. It will also try to measure the marketability of malls. The purpose of this research is to focus on the retail shops development and community interaction aspects of Mumbai city shopping malls. The Present research on shopping mall development and redevelopment can more comprehensively address the importance of malls to the communities in which they are located. Broadly, neglected areas of research are the community and economic contributions of shopping malls. These are critical issues, given the age of shopping malls worldwide, the need for adjacent area redevelopment and requirement of large public subsidies for infrastructure construction. The present study will also give suggestions to enhance the effectiveness of Retail shops through shopping malls.

The study attempts to provide recommendations / suggestions which can be used for effective management of shopping malls and induct revolution and continuously appreciate the dynamics of change so as to have competitive edge in the survival and growth of shopping malls in Mumbai.

Shopping mall is the fastest route for business expansion which offers an excellent business model particularly for service organizations waiting to extend their networks and reach to the consumers.

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The present study will be help in assessing the past performance of shopping mall in various retail businesses.

Indian consumers are transforming into global customers, now they demand better facilities, International standards of services and top brands and quality.

Thus, shopping malls have a bright future in India, an attempt has been made to study the future potential of shopping malls in various retail businesses.

3. LIMITATIONS OF THE STUDY:

The present study is constrained by time, cost and physical limitations of the researcher. The scope of the present study is restricted to Mumbai region only. Additionally, the perception of respondents towards shopping malls may differ according to their personal experiences and achievements. The findings and results of the study will be based on the responses sought from the sample under study.

4. OBJECTIVES OF THE STUDY:

1. To study the consumer behavior at shopping malls with reference to gender, age, occupation and income.

2. To analyse different attributes of layout, accessibility, ambience, availability of services, sales personnel and promotional tools in Mall.

3. To study consumer’s buying tactic, shopping priority during shopping at malls in region of Mumbai.

4. To find the expectation and perceptions of Consumer’s desirable and wishful factors in future they want in mall.
5. HYPOTHESES OF THE STUDY:

The hypotheses pertaining to objectives are as follows:

H₀ : There is no significant relationship between gender, age, occupation and income of respondents and perception towards shopping malls.

H₁ : There is significant relationship between gender, age, occupation and income of respondents and perception towards shopping malls.

H₀ : There is no significant relationship between accessibility, availability of related services and other factors of shopping malls.

H₂ : There is significant relationship between accessibility, availability of related services and other factors of shopping malls.

H₀ : There is no significant difference among consumers buying tactics and shopping priority towards shopping malls.

H₃ : There is significant difference among consumer’s buying tactics and shopping priority towards shopping malls.

H₀ : There is no impact of income on shopping from Normal shops and Shopping Malls.

H₄ : There is impact of income on shopping from Normal Shops and Shopping Malls.

6. SCOPE OF THE STUDY:

The provision of various services by shopping mall is common today. Mumbai is the commercial capital of India. It is bubbling with retailing activities. Due to various modern infrastructure facilities and job opportunities, people from other parts of the country migrate to Mumbai. The present study attempts to understand
A study of consumer behaviour in shopping malls with a special reference to Mumbai Region - Abstract

consumer behaviour in shopping malls for various services offered in Mumbai city and tries to understand the Consumer’s behaviour.

The present research is an attempt to understand the various consumer services provided by the shopping malls in Mumbai. The study would help businessmen, government policy makers, and corporate for future reference.

7. RESEARCH METHODOLOGY:

There are two methods are used to collect the data of research work viz:

Primary Method of Data Collection:

Under this method data was collected directly by :

- Questionnaire-based survey of consumers’ shopping at organized outlets of shopping malls and also consumers’ shopping at unorganized outlets at normal shops.

Secondary Method of Data Collection:

- Secondary data was collected from magazines, thesis reports, seminars and conference papers, articles, websites, unpublished data, published books, journals, and newspapers etc.

For the purpose of this study, the survey method is adopted for collection of data. This method has been selected keeping in mind the number of shopping mall Consumers in Mumbai and the corresponding number of shopping mall in Mumbai. The survey includes primary and secondary data.

a) Sample of the Study:

The population was the shopping mall Consumers in Mumbai. The study covers the Mumbai city. Since the shopping mall Consumers were scattered over

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Mumbai city, it is necessary to give proper attention to all those who reside in this area. In order to give proper representation to total population, 1000 respondents were collected through random sampling method.

b) The statistical Tools:

To give scientific outlook to the study and to reach specific conclusions, the researcher has used various statistical tools like Chi-square analysis and Multinomial Logit Model. For simple comparisons and presentation various tabulation, charts, graphs are also used.

c) The Graphs and Diagrams are be used to present the data of consumer’s behaviour in shopping mall.

8. HYPOTHESES TESTING :

To interpret and establish interdependence of collected and analysed data various factors relating to consumer’s behaviour with shopping malls and normal shops I used following statistical tools and methodologies.

- **CHI-SQUARE ANALYSIS**

- **MULTINOMIAL LOGIT MODEL.**

**CHI-SQUARE ANALYSIS $\chi^2$**

A chi-square test is a statistical test commonly used for testing independence and goodness of fit. Testing independence determines whether two or more observations across two populations are dependent on each other (that is, whether one variable helps to estimate the other). Testing for goodness of fit determines if an observed frequency distribution matches a theoretical frequency distribution. In both cases the equation to calculate the chi-square statistic is where $O$ equals the observed frequency
and $E$ the expected frequency. The results of a chi-square test, along with the degrees of freedom, are used with a previously calculated table of chi-square distributions to find a $p$-value. The $p$-value can then be used to determine the significance of the test.

\[ \chi^2 = \sum \frac{(O - E)^2}{E} \]

Chi-square distribution:

The chi-squared distribution is used in the common chi-squared tests for goodness of fit of an observed distribution to a theoretical one, the independence of two criteria of classification of qualitative data, and in confidence interval estimation for a population standard deviation of a normal distribution from a sample standard deviation.

Thus, if $Z_1, \ldots, Z_k$ are all standard normal random variables (i.e., each $Z_i \sim N(0,1)$), and if they are independent, then

\[ Z_1^2 + \ldots + Z_k^2 \sim \chi^2(k) \text{ --- } k \text{ degrees of freedom} \]

To test the hypotheses I have used chi-square test for independence at 1 % level of significance.

**MULTINOMIAL LOGIT MODEL.**

In statistics, multinomial logistic regression is a classification method that generalizes logistic regression to multiclass problems, i.e. with more than two possible discrete outcomes. That is, it is a model that is used to predict the probabilities of the different possible outcomes of a categorically distributed dependent variable, given a set of independent variables (which may be real-valued, binary-valued, categorical-valued, etc.)
To test the hypothesis the impact of income on buying preference Multinomial Logit Model is used, it uses the Z test at significance level of 5 % for testing the significance of the coefficients.

9. DATA INTERPRETATION:

This is a comparative study of consumer behaviour between shopping mall and normal shop in Mumbai. The data is analysed and interpreted so as to get the information based on the objectives and hypotheses of the study. The information collected from the respondents within the study area was tabulated, analysed and conclusions were drawn with the help of independent variables like gender, age, occupations and Average monthly family income, for awareness of services, usage of services and satisfactions.

10. CHAPTER SCHEME:

The study is organized in six chapters in following manner:

1. Introduction:

   This chapter exhibits introduction of Consumer & Consumer Behaviour, Meaning and Definition of Consumer, Meaning and Definition of Consumer Behaviour, Factors influencing Consumer’s Buying Behaviour, Consumer’s Buying Decision process, Evolution of Consumer Buying Behaviour, Retail Sector, Unorganized and Organized Retail, Organized Retail in Global and India, Organized Retail in Mumbai, Retailing system, and the present study.

2. Review of Literature:

   This chapter gives an elaborative literature review on shopping mall, consumer’s behaviour and the research gap in this area of study.

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13
3. **Shopping mall in India and Mumbai - an Overview:**

   This chapter will give us information about how malls are emerges a global level, at India level and at Mumbai city. It indicates names of various shopping malls in different cities of respective country. Year of establishment and numbers of shop or area coverage in sq.ft. etc.

4. **Research Methodology:**

   This chapter introduced with objectives of study, hypotheses of study, universe of the study, the sample and sampling design, data collection, data analysis, limitation and future direction of the study.

5. **Analysis and Interpretation of data:**

   Under this chapter, the profile of Mumbai’s shopping mall consumers with the help of independent variables like gender, age, occupation and average monthly family income are explained. Core services by shopping malls like to watch a movie, visit eaternary, window shopping, parking facility, gaming zone, availability of various famous brands, display of merchandise, comparison with normal shop etc are analysed. A detailed survey and technical analysis of the comparison of consumer behaviour in shopping mall is arranged in the form of a tables and graphs and interpreted.

6. **Summary, Conclusions and Suggestions:**

   This chapter is summary of the findings, conclusions and It will also offer certain suggestions of the study which are presented in this concluding chapter.

   **Bibliography & Annexure**