CHAPTER 8: Conclusion

The concept of retail is comparatively very old in Indian context. Before anybody knew about what retail is, we had traditional stores, medical stores and lots of other stores working surprisingly well all over the country. Recently with the entrance of big players like WalMart and Reliance, people are getting an idea of the traditional stores going to be vanished. But just to remind us, we should never forget how deep rooted is this old concept. The very modern organized stores have taken the idea of retailing nowhere else than from these old shops. The growth in the Indian organized retail market is mainly due to the change in the consumer’s behavior.

This change has come in the consumer due to increased income, changing lifestyles, and patterns of demography which are favourable. Now the consumer wants to shop at a place where he can get food, entertainment, and shopping all under one roof. This has given Indian organized retail market a major boost. Thus, in India it is quite sceptical that the organized retail will be ever able to overcome the unorganized retail completely. The values, cultures and beliefs of the customers prompt them to go to the same retail shop where they can get the product required, at low price and with least waiting time for billing. No matter how lucrative is this sector and how bright is the market; the organized sector in retailing has to go a long way to understand the customer requirement.

In the last decade, retailing sector in India has seen a vast transformation from traditional retailing to modern retailing. The traditional retail consists of small retailers like local traditional shops, general stores, medical stores, footwear stores, apparel shops, hand-cart hawkers and footpath vendors. As per investment commission of India, there are 15 million such retail outlets in India. As the economy has started growing in India, retail sector has also started modernising and growing. Some of the major industrial houses like Reliance Industries, Bharti group, Aditya Birla group and Tata Trent have entered in this sector.

Organized retail’s share estimated around 10% to total retail in the year 2010 is very low compared to that of developed countries like U.S.A, U.K., France and Germany, where the share of organized retail is around 75-80%. Hence it is expected that the
growth of organised retail in India is going to be high in future. Amongst organised retail shopping malls are becoming attractive destinations for retailers and shoppers. In 1999, India had only 3 malls. In 2010 there were 190 malls and at present it is believed that there are around 280 malls in the country. As it is clearly evident, number of malls has gone up tremendously over the years. However the growth story also has thrown up some hurdles.

During the boom days, many developers jumped into the fray of mall development. High economic growth, increasing size of middle class, high urbanisation rate and availability of personal credit have all contributed to large number of consumers shopping at the malls. This encouraged many developers jump into the bandwagon and start building malls. There was a rush to be there amongst the many malls which then had high footfalls. There was no proper planning, research, marketing and positioning strategy in place before getting into the mall business for many developers. This resulted in many of the malls not performing up to expectations. Some have high vacancy levels some have witnessed retailers leaving for the competitors, some have low footfalls and a few malls have closed down. However the malls which were strongly positioned are still doing well and are fully operational. This research has been conducted to find out the existing positioning strategies of malls, factors influencing positioning of malls, perceptions of shoppers regarding the positioning strategies and to bring out a model to help decision making by mall developers, retailers and shoppers.

The burgeoning of shopping malls and hypermarkets in India has almost been a revolution till now. But now they have become a way of life in our country. Malls and hypermarkets are redrafting and rephrasing the rules, developing a constitution of their own and are converting the basic need for recreation and shopping activity into a unique parameter or criteria for judging one’s lifestyle statement. Middle class Indians have broken off their love of traditional stand-alone Indian stores that have no air conditioning, organized parking and other public amenities. Our sparkling new malls symbolize India’s growth from a stagnant third world country to an emerging economic superpower living up to all the advertising adjectives that the world has been showering upon. India is now the new hub of the mall culture lovers.
Shopping malls, which witnessed a dip in profits after the global recession are now back to wooing elusive customers. This mall boom is now correcting itself, with shopping malls sprouting in each and every corner of the cities, people have become aware of the holes in their pockets are becoming larger, in turn 70% of the malls have failed with only 10 - 15% visitors converting into shoppers.

At one hand, where customers have got so many benefits of the malls, they say that they have lost a personal touch with the shop owners and a special relationship that they have had with their local ‘traditional’ stores since last so many years. In malls, they definitely get good services but they lack ‘after-sales services’. In malls, they feel they are being treated as just another customer whereas in the local ‘traditional’ store they are known by their names, their tastes, their preferences etc. Several times, even personal problems are being discussed at the local stores. If any item is found to be of undesired quality then they can easily get it exchanged for a better one and of course, at a local store, they enjoy their bargaining right for every single product.

During the course of this research the demographic changes were found to be the utmost influential factors in the changing trends of consumerism in India. It was found that the customers gave highest importance to availability to variety of merchandise. Secondly, the most important aspect that the customers looked for was service quality, and ambience is relatively lesser important. Thirdly, the respondents gave importance to convenient location of the mall / hypermarket. Customers do not consider the same aspects while selecting different types of retail outlets in a mall.

Shoppers would like to minimise the effort of shopping by reducing either the travel time or the time spent in the shop. On an overall basis, customers give prominence to proximity of the store, merchandise and the service. While food / grocery stores were chosen more on the basis of their proximity and long term association with merchandise and service contributing secondarily to enhance utility, consumer durables are more chosen based on merchandise and personal referrals, with ambience affecting their choice slightly. Presence of discount stores and frequent mall promotions increase visits by consumers prefer the air-conditioned environment as also availability of several product categories under one roof, quality of service, confidence that the store-owner is not cheating, car parking facilities, convenience of shopping and the ambience of malls. Such lifestyle factors along with the status
symbol of being in malls, supplemented with a greater disposable income are the chief reasons that prompt them to the malls.

Malls were initially visited by consumers who would familiarize themselves with the different formats and form their perception about malls. With the passage of time, visits by regular users have consistently increased at the malls. After the initial experience, consumers have acquainted themselves with the layout of the malls, product and service offerings and various brands that are available in the malls. The benefits perceived by consumers gradually instilled trust, confidence, credibility and reliability in the minds of consumers and induced them into gradually accepting the malls. Consequently, consumers are repeating their visits for successive purchases marked by the increase of regular users at malls.

Thus, it can be opined that the market survey reports support the theoretical claim that the mall culture has brought about dramatic changes in the lifestyle of the Indore consumers. The consumers are changing their spending habits, consumption patterns and leisure time activities to lay the foundation for the organized retail industry to gradually gain ground from its present less than 5% of the market.

Overall, it is argued that the study of consumer behavior is rapidly evolving as researchers recognize and implement new techniques and trans-disciplinary perspectives to understand the nature of purchase and consumption behavior. This wider view attempts to study consumer behavior in the light of rapidly evolving lifestyles, values, priorities, and social contexts.

Respondents were found to consider price discounts as an important promotional tool in the malls and the hypermarkets. So the retailers in the malls and the managers of the hypermarkets should ensure that they offer good deals, bargains and schemes for all categories and classes of customers, and as frequently as possible. On the other hand, free gifts and services can be a good way of conveying value to consumers when discounts tend to undermine the perception of quality.

Various theories on consumer research were not tested empirically until the middle twentieth century. The distinctly practical emphasis awaited development of the field of marketing in the business curriculum. In particular the buying process of consumer
behavior is of more importance to marketing practitioners than the consumption process.

From a practitioner’s perspective consumer research is pertinent so as to enable him to understand changing consumer needs, wants, and motivations and thereby devise the most appropriate mix for his market. Then, to the marketer the dynamic nature of consumer behavior implies rapid product development, changing communications, and distribution strategies in order to be more effective. It is this (marketing) concept, as articulated by several marketing scholars (e.g., Alderson 1965; Bagozzi 1975; Kotler 1972; Kotler and Levy 1969) that captures many of the more essential characteristics of modern marketing which has tended to dominate thinking in the field. Those whose research motivation is consumer influence largely embrace the research paradigm of positivism in which rigorous empirical techniques are used to discover generalizable explanations and laws. Consumer decision making processes and behavioral outcomes are studied to bring about prediction and change (Ozanne and Hudson 1989).

However, the arena of consumer research goes far beyond the managerial perspective, when primary focus is placed on consumption. Holbrook and Hirschman (1982), among others, strongly advocate that the purchase decision is only a small component in the constellation of events involved in the consumption experience. Holbrook (1987) suggests that consumer researchers must expand their view to examine “all facets of the value potentially provided when some living organism acquires, uses, or disposes of any product that might achieve a goal, fulfil a need, or satisfy a want.” The decision process then assumes secondary importance as compared with consumption.

This broadened perspective has been recently reflected in the literature, as published research focuses on the subjective aspects of the consumption experience, such as hedonic consumption. Research methodology moves beyond positivism to naturalism (ethnography, semiotics, literary criticism, and historicism) in order to achieve a broader understanding of the impact of consumption on the consumer without any particular intent to change or influence the process. While some outcomes may be significant to marketing practice the overall goal of such research endeavour is to achieve better understanding of consumer behavior.
The importance of personal values in explaining individual consumers’ decision-making has been recognized by researchers in the literature, rare studies have investigated the influence of personal values on consumers’ decision making in connection with product choice criteria.

Consumers are the major beneficiaries of the retail boom. The Indian consumer is changing rapidly. They now have a choice of a wide range of products, quality and prices. Organised retailing is changing the whole concept of shopping in terms of consumer buying behavior. In such a scenario, consumer decision making is of great interest for consumer educators and marketers interested in serving the consumer (Canabal, 2002). Therefore, there is clearly a need for research on this issue in India.

In this study, an attempt was made to study the consumer decision-making styles in shopping malls of India Consumer behavior is more unpredictable & volatile than ever before and retailers are striving to develop new effective strategies for satisfying needs and wants of consumers.

The objectives of this study were to investigate consumer decision-making styles in shopping malls and to study variations in consumer decision making styles across different demographic variables. Consumers are demanding a very large selection of producers with deep discounts. They are no longer as influenced by brand name but very cautious about quality & value. Thus the retailers focusing on providing best price serve and selection in the form of value will be successful. This study shows that the average Indian shoppers in our sample were not very brand conscious, but were quite price and quality conscious. It is found that single consumers are more price conscious than married consumers. Indian consumers are recreational in their shopping. Shopping is funny activity for them. Young consumers between the age group of 11-20 years are most recreational in their shopping.

Above all Indian consumers are confused by over choice, novelty conscious, and variety seekers. The growth in the Indian organized retail market is mainly due to the change in the consumers’ behavior. This change has come in the consumer due to increased income, changing lifestyles, and patterns of demography which are favourable. Now the consumer wants to shop at a place where he can get food, entertainment, and shopping all less than one roof. This has given Indian organized retail market a major boost.
Thus, in India it is quite sceptical that the organized retail will be ever able to overcome the unorganized retail completely. The values, cultures and beliefs of the customers prompt them to go the same retail shop where they can get the product required, at low price and with least waiting time for billing. No matter how lucrative is this sector and how bright is the market; the organized sector in retailing has to go a long way to understand the customer requirement. Lorch and Smith (1993) concluded that customers coming from a parking lot walk straight forward to the nearest shopping mall entrance and only those shops which are immediately adjacent to this entrance benefit from it.

Marjanen (1997) found that visitors of supermarkets and department stores consider parking as one of the most important store - choice variables. Van der Waerden and Borgers (1994) found empirical evidence of a strong relation between the location of the chosen parking lot and the location of visited stores. The probability for customers to visit stores in the surrounding of the chosen parking is higher than visiting stores located at some distance. The researcher further stated, mall designers manipulate the behavior of shoppers by consciously designing a symbolic landscape that provokes consumption-oriented behaviors. Atmosphere in the context of malls refers to aesthetics and ambience of the mall.

The mall’s environment such as colour, music and crowding are an important function in shoppers’ perception and evaluation of the mall at large. Malls perceived to have a pleasant and moderately arousing atmosphere are likely to be more favoured by shoppers than those with less pleasant atmosphere. Similarly, malls that are moderately arousing are likely to be more favoured than malls that are perceived to be highly arousing or not arousing at all. This study showed that the average Indian shoppers in our sample were not very brand conscious, but were quite price and quality conscious. Alford and Biswas (2002) reported that consumers’ psychological makeup drives the extent to which they are influenced by offers. Specifically the different authors look at two psychological features which they call price consciousness and sale proneness.

The present research tried to make significant contributions to the existing consumer behavior literature by providing an in-depth understanding of the Indian consumer psyche in relation to shopping malls. The study revealed that among the studied four
variables mainly had an impact on consumer buying decision in malls and these variables are brand, price, quality, and social ambience. Branding is important to consider. Brand is the symbolic expression of a concept embodied in the product, which is used by the consumer to satisfy their needs for self-expression (Bhat & Reddy, 1998). Brands are viewed to be a company’s most valued asset as it carries the relationship between the company and consumer through its symbolic meaning (Zaichkowsky, 2006).

The symbolic meaning is strengthened when more market segments understand and believe in a common brand meaning. In general, brand symbolism is important to some consumer segments. Consumers who are literate in the symbolic meaning of brands are more likely to purchase products for the symbolic meaning rather than the utility of the product (Frost & O'Cass, 2002; Cordell, Kieschnick & Wongtada, 1996). Genuine branded products carry social status and personality qualities, while the same cannot be said for counterfeited versions. In purchasing decisions, across all product categories, price is one of the most frequently identified motivations for purchasing products (Cordell, Kieschnick & Wongtada, 1996; Rutter & Bryce, 2008; Tan, 2002). In regular purchasing situations, consumers form price expectations or reference prices (Kalwani, Yim, Rinne & Sugita, 1990; Lattin & Bucklin, 1989). Brand-loyal consumers are those consumers who have favourite brands, stick with a brand and consistently use the same store. The young generation Y consumers may purchase the same brands simply because those retailers offering fashion apparel provide them with the best quality, as a result they do not see any reason to switch to other brands.

Prices are used as a purchasing heuristic, where preconceived price expectations are compared to real-life prices in order to evaluate the value of the purchase. Price consciousness is the degree to which the consumer focuses exclusively on paying a lower price, such that a highly price conscious consumer will have lower perceptions of the offer value when faced with a reference price. In other words they will discount the reference claim to a greater extent. Alford and Biswas, (2002) reported that consumers’ psychological makeup drives the extent to which they are influenced by offers. Specifically the authors look at two psychological features which they call
price consciousness and sale proneness. This factor measures the price dimension of consumer decision making styles of Indian consumers in our sample.

Consumers who score high on this factor are very price conscious. They are very conscious to get the best price for the products they buy. They check and compare the prices of products before purchasing them. They even go to more than one store to get the lowest price. Quality Consciousness factor reflected the quality conscious dimension consumer decision making style of Indian consumers in our sample. Indian consumers consider the quality of the products while purchasing the products in shopping malls. It is very important for them to buy best. Consumers who score high on this factor perceive the quality of a product to be very important and are willing to make special efforts to choose products with the very best quality.

Consumers who score high on this factor are overwhelmed by all the choices of products and stores available to the mind do not know what to do about the information. On the opposite end of the continuum, consumers who score low on this factor can take advantage of the available information and make better choices (Fan, 1998). Quality-conscious consumers are perceived to have an awareness and desire for high quality products, and the need to make the best or perfect choice versus buying the first product available. Novelty-seeking consumers are perceived to have an awareness of new styles, changing fashions, and attractive styling, as well as the desire to buy something exciting and trendy. This represents the consumers’ relationship with design and style. This implies that generation Y consumers may purchase the latest on fashion apparel in order to create a sense of uniqueness. They are also well-informed about the fashion trends which may be largely due to extensive huge media coverage.

There is much evidence in the retailing literature to support the notion that mall atmosphere is an important factor in mall evaluation, patronage and loyalty (Andreu et al., 2006, Babin and Attaway, 2000, Grewal et al., 2003, Keng et al., 2007, Michon et al., 2005). Malls perceived to have stores with acceptable prices are likely to be favoured by shoppers than malls with stores having unacceptable prices. Similarly, malls that engage in promotions to offer shoppers more store bargains are favoured than malls that do not engage in such promotions. Much evidence exists supporting the effect of prices and promotion on shoppers’ behavioral responses.
Lorch and Smith (1993) concluded that customers coming from a parking lot walk straight forward to the nearest shopping mall entrance and only those shops which are immediately adjacent to this entrance benefit from it. Marjanen (1997) found that visitors of supermarkets and department stores consider parking as one of the most important store-choice variables. Van der Waerden and Borgers (1994) found empirical evidence of a strong relation between the location of the chosen parking lot and the location of visited stores. The probability for customers to visit stores in the surrounding of the chosen parking is higher than visiting stores located at some distance. The researcher further stated that mall designers manipulate the behavior of shoppers by consciously designing a symbolic landscape that provokes consumption-oriented behaviors. Atmosphere in the context of malls refers to aesthetics and ambience of the mall.

It is also observed that mall’s environment such as colour, music and crowding are an important function in shoppers’ perception and evaluation of the mall at large. Malls perceived to have a pleasant and moderately arousing atmosphere are likely to be more favoured by shoppers than those with less pleasant atmosphere. Similarly, malls that are moderately arousing are likely to be more favoured than malls that are perceived to be highly arousing or not arousing at all. There is much evidence in the retailing literature to support the notion that mall atmosphere is an important factor in mall evaluation, patronage and loyalty (cited [Andreu et al., 2006], [Babin and Attaway, 2000], [Grewal et al., 2003], [Keng et al., 2007], [Michon et al., 2005]). Malls perceived to have stores with acceptable prices are likely to be favoured by shoppers than malls with stores having unacceptable prices. Similarly, malls that engage in promotions to offer shoppers more store bargains are favoured than malls that do not engage in such promotions. Much evidence exists supporting the effect of prices and promotion on shoppers’ behavioral response.

Malls are fast becoming a place for socializing and recreation (apart from shopping), and customers’ have set high expectations from the malls. They see malls as a one stop destination for various purposes like dining, watching movies, hanging out, meeting new and/or old friends and shopping. Hence, mall managers should understand that malls have become something more than a place to buy products and they should transform the malls that would offer energetic and vibrant stores with
attractive product merchandises, scores of entertainment bundled with modern, more sophisticated atmospherics and facilities, necessary to lure the target customers.

The expansion of mall culture across the country has significantly affected the Indian consumers’ shopping motives. This research aimed to study the buying behavior patterns on consumers’ decision towards mall attributes that is, aesthetics, escape, flow, exploration, role-enactment, social and convenience. In malls, consumers prefer the air-conditioned environment, availability of several product categories under one roof, quality of service, car parking facilities, ambience, convenience of shopping and the confidence that the store-owner is not cheating. Such lifestyle factors along with the status symbol of being in malls, supplemented with a greater disposable income are the chief reasons that prompt them to the malls.

The present study thus finds its relevance in ascertaining the underlying causes as to why consumers are gradually moving out from their zone-based buying behavior and preferring to shop in supermarkets and malls than in traditional stand-alone stores. The mall phenomenon is changing the way people of the city shop. While exhibiting gradual acceptance of the organized retail formats people are moving out of their zone-based buying behavior and have significantly increased their spending at the malls.

**Future Research Implications**

There has not been much research on the effects of price transparency for consumer behavior and market outcomes. There are however a few notable exceptions, most of which focus on the strategic behavior of firms and the resulting impact on consumers as opposed to specifically testing consumer behavior.

**Managerial Implications**

As more and more malls are coming up in the Indore city, competition in this domain will soon intensify and become fierce. It is of utmost importance to mall management to understand the needs or desires of the targeted customers and deliver their offerings accordingly, so that they can get not only the maximum wallet shares of the customers but also their mind shares. The results of the current study have many implications to
the managers and marketers for an efficient, effective and productive mall performance.

Malls are fast becoming a place for socializing and recreation (apart from shopping), and customers have set high expectations from the malls. The results of the study could help marketers in framing the atmospherics in a very strategic manner.

Customers of Indore city also gave high acceptance to dimensions like Exploration, Convenience and Social. The customers preferred one stop shopping, wide product assortment and a place for recreation with friends and acquaintances. Mall managers and marketers should bundle all the mentioned items while designing criteria which the mall has to offer to the customers, in order to lure them, make them to stay longer and spend more.

The current study also revealed that young customers of the Indore city were found to have favourably inclined towards the mall than their older counterparts. Mall managers and marketers should develop new strategies in order to attract more and more youth crowd by employing new technologies, vibrant colour schemes and futuristic whereas they should also devise ways of attracting older crowd by offering complete family entertainment along with a great shopping experience.

Information on consumers' decision-making style will be useful for retailers targeting Indian markets. As Indian retail industries is in boom today and more and more national and international players are interested in the emerging retail market in India, an understanding of Indian mall shopper behavior, with particular reference to their decision-making styles, is crucial. Profiling consumers by combining their decision-making styles and demographic variables provide more meaningful ways to identify and understand various consumer segments and to target each segment with more focused marketing strategies (Hiju, A. Y. et al., 2001).

Consumer decision-making styles are influenced by consumer characteristics. Consumers are thought to approach the market with certain basic decision-making styles. A perfectionist and high-quality conscious consumer typically seeks the very best quality products, has high standards and expectations of consumer goods and is concerned with the function and quality of products. The novelty-fashion consumer is
described as wanting to “gain excitement and pleasure from seeking out new things” and “conscious of the new fashions and fads”

In the past few years, India’s retail journey seemed poised for huge growth given the entry of several new players. Retail in India emerged as one of the most dynamic and fast paced industries according to the FICCI-Ernst and Young 2007 report (Winning with Intelligent Supply Chains). Favorable demographics, steady economic growth, easy availability of credit, and large scale real estate developments were fuelling the growth of India's approximately USD 25 billion organized retail market. However the global meltdown had an impact on the Indian market. The retail sector is still registering decent growth, but heavy investments made during the boom period may make it difficult for retailers to show profits. The KPMG Report, India Retail: A Time to Change Lane highlights the following:

A large number of retailers have experienced a drop in footfalls thus impacting the time to break even for new stores. Although retailers are trying their best to combat this slowdown through constant promotional offers and deep discounts, consumers are expected to cut down on their discretionary spending.

The survey concluded that India's retail sectors can co-exist and flourish. Indian organized retail market is mainly the consumers’ behavior. This change has come consumer due to increased income, changing, lifestyles, patterns of demography which consumer wants to shop at a place where entertainment, and shopping all under one roof. This has given Indian organized retail market a major boost. While on the other hand the traditional stores are shops where the various product available are the required by the customers. They cautiously take choice of the customers and bring the product which is demanded by them. They try to satisfy them with the wide range and at the same time maintain a good relationship to retain them and consequently convey customer. The shopkeepers keep latest products stores and then learn how is it actually affecting the sales of products although there stores have comparatively product range the selection made looked at the features let us find good is the ambience and wide is comes the selling price of the shops are always more efficient stores. These retail shops lacking the customers have miserably failed customer. No matter how much the company talk CRM (customer relationship management), the implementation they endeavour it only discount sales driven by their profit motive.
It is quite doubtful that the organised retail will be ever able overcome the unorganised retail completely. The values, culture and beliefs of the customers same retail shop where they can get the product required, at low price and with least waiting how lucrative is this sector and how organised sector in retailing has to go understand the customer requirement.