

A Study on Customer's Perception Towards Stores in Shopping Malls and Town Retailers

Elsa George , Assistant Professor, Rajagiri College of Management and Applied Sciences,
Kakkanad, Kerala, India. elsagn@gmail.com

Abstract: Shopping malls are considered to be a new trend in the city. With the coming up of malls many retailers shifted their shops from independent locations to shopping malls. New retailers stand in a dilemma as to which location must be selected by them in order to flourish their business at the initial stage. The study tries to analyse the attitude of customers towards stores in both locations, differences in spending behaviour in these locations and the factors which affect the customer's decision on selecting a store. Primary data has been collected through questionnaire survey of 500 respondents in the city. The samples were selected by randomly selecting customers who visited these locations at a particular period of time. Averages, percentages and graphs have been used to analyse the data collected.

KEYWORDS: *retailing, retail location, shopping malls, location analysis, town retailers.*

I. INTRODUCTION

Shopping malls are a recent trend in Cochin City. The city holds around 10 shopping malls in and around the city limits. All these areas are visited by a large crowd approaching for different purposes. It is also interesting to note that these malls have a huge turnover on a daily basis. As a result a large number of independent retailers have changed their minds and relocating to these malls.

But the disadvantages of increasing costs and accompanying benefits still remain partly unknown. Moreover increased competitions from adjacent stores is also a disadvantage in shopping malls

In this background it is imperative to evaluate the factors of customer satisfaction in these locations. The study tries to understand the attitude of customers towards both locations, the spending behaviour of customers in both locations and the factors affecting the choice of a location for shopping. Here the study is limited to customers of shopping goods in Ernakulum district

II. OBJECTIVES OF THE STUDY

1. To study the impact of external factors on the customer's decision on a store for making purchase.
2. To compare the perception of customers towards stores in malls and town retailers.

III. THEORETICAL FRAMEWORK

A Consumer is one who buys goods or services for own consumption and not for sale. The essential task under the marketing concept is to find the needs of the customer and satisfy those needs.

Consumer behaviour can be defined as the behaviour that consumers display in searching for, purchasing, using,

evaluating, and disposing of products and services that they expect will satisfy their needs. The act of purchasing a product can be very complex. There are various factors influencing the purchase decisions of the customers. They are:

- Cultural Factors
- Social Factors
- Personal Factors
- Psychological Factors
- Other Factors: Other factors include government policies, taxation, sudden price hikes by the government, social and health programmes etc.

FACTORS TO BE CONSIDERED FOR CHOOSING A RETAIL LOCATION

1. Population and customers

The population in the area and the concentration of target group should be considered while deciding the store location. A store should be located near the place of work or residence of customers.

2. Traffic in the location

Traffic refers to the number of shoppers entering the location. Placing a store in a location where more number of shoppers gather will always be beneficial to the retailer. Factors such as ease of commutation to location, availability of public transport, parking facility available etc, should also be considered.

3. Signage, zoning and planning

Factors such as rules and regulations to be followed, current plans for infrastructural development in the location and their impact on business etc must also be taken into consideration.

4. Competition and neighbours

The level of competition is an important factor to be considered. It includes understanding the products offered by neighbouring stores, level of similarity and differentiation of product offered by neighbouring stores, their brand value etc. must be considered.

5. Location cost

The rental payable, additional cost for maintenance, marketing etc is included under this head.

6. Other factors

Other factors such as availability of staff t the store, restroom facilities, securities, parking facility, ATMs nearby, cleanliness of the location, sanitation facilities, fire and safety etc must also be considered while deciding on the store location

OPERATIONAL DEFINITIONS

Shopping malls: shopping malls are specially built covered areas containing shops , restaurants , movie theatres etc..

Town retailers : those independent retail stores located in any of the main towns of the city

IV. LITERATURE REVIEW

Anu Singh Lather and Tripat Kaur (2006) explain the importance of physical environment, store reputation and store location in a customer's decision on selecting a store. They studied the various components that had a greater role in a mall experience of customers. [1]
Satnam Kour Ubeja (2015) suggested that the customers were attracted to shopping malls out of the gifts and offers provided at these locations. The customers were carried away by any sort of offers provided to them. The data was collected from a sample of 200 shoppers in the city using questionnaire survey.[2]

Wakefield, Kirk.L and Baker Julie (1998) says that customers have an attitude to out shop as they will not be interested in purchasing the same local products similar to as all others. And therefore the customers may not be interested in purchasing goods from shopping malls.[3]

Ligthelm AA, (2008) identified that coming up of shopping malls has resulted in a loss of sales to the town retailers in the locality. The customers were attracted to shopping malls due to the facilities and entertainment available in these locations. But a few town retailers could still survive in the market due to the reasons such as long and flexible working hours of town retailers, satisfaction of emergency needs, good and friendly customer service, proximity to customers' dwellings, availability of merchandise in small units and credit facilities.[4]

V. METHODOLOGY

The study tries to analyse the attitude of customers towards stores in both locations, differences in spending

behaviour in these locations and the factors which affect the customer's decision on selecting a store. Therefore the researcher has chosen a descriptive research design for the study. The customers are considered to be the sampling units. The population of the study includes the entire shoppers of cochin city . The Primary data has been collected through questionnaire survey of 500 respondents in the city of Ernakulam, Kerala, India. Secondary data has been collected from various books, Journals, websites etc. The samples were selected by randomly selecting customers who visited these locations at a particular period of time ie. October to December 2018 . Averages, percentages, tables and graphs has been used for data analysis.

VI. DATA ANALYSIS

FACTORS CONSIDERED BY CUSTOMERS WHILE DECIDING A STORE FOR PURCHASE

FACTORS	Agree	Neutral	Disagree
Influence of parking facilities on customer's decision of selecting a store for shopping	329	120	51
Influence of ease of reaching the destination on customer's decision of selecting a store for shopping	353	109	38
Influence of location on customer's decision of selecting a store for shopping	307	142	51
Influence of ATMs nearby on customer's decision of selecting a store for shopping	328	103	69
Influence of availability of different items on customer's decision of selecting a store for shopping	395	92	13
Influence of availability of restroom facilities on customer's decision of selecting a store for shopping	287	186	27
Influence of availability of public transport to location on customer's decision of selecting a store for shopping	320	141	39
Influence of availability promotional offers at the store on customer's decision of selecting a store for shopping	266	114	120
Influence of availability of security staff at the store on customer's decision of selecting a store for shopping	300	80	120
There is impulsive buying decision during window shopping	229	168	91

Table 1 showing factors considered by customers while deciding a store for purchase

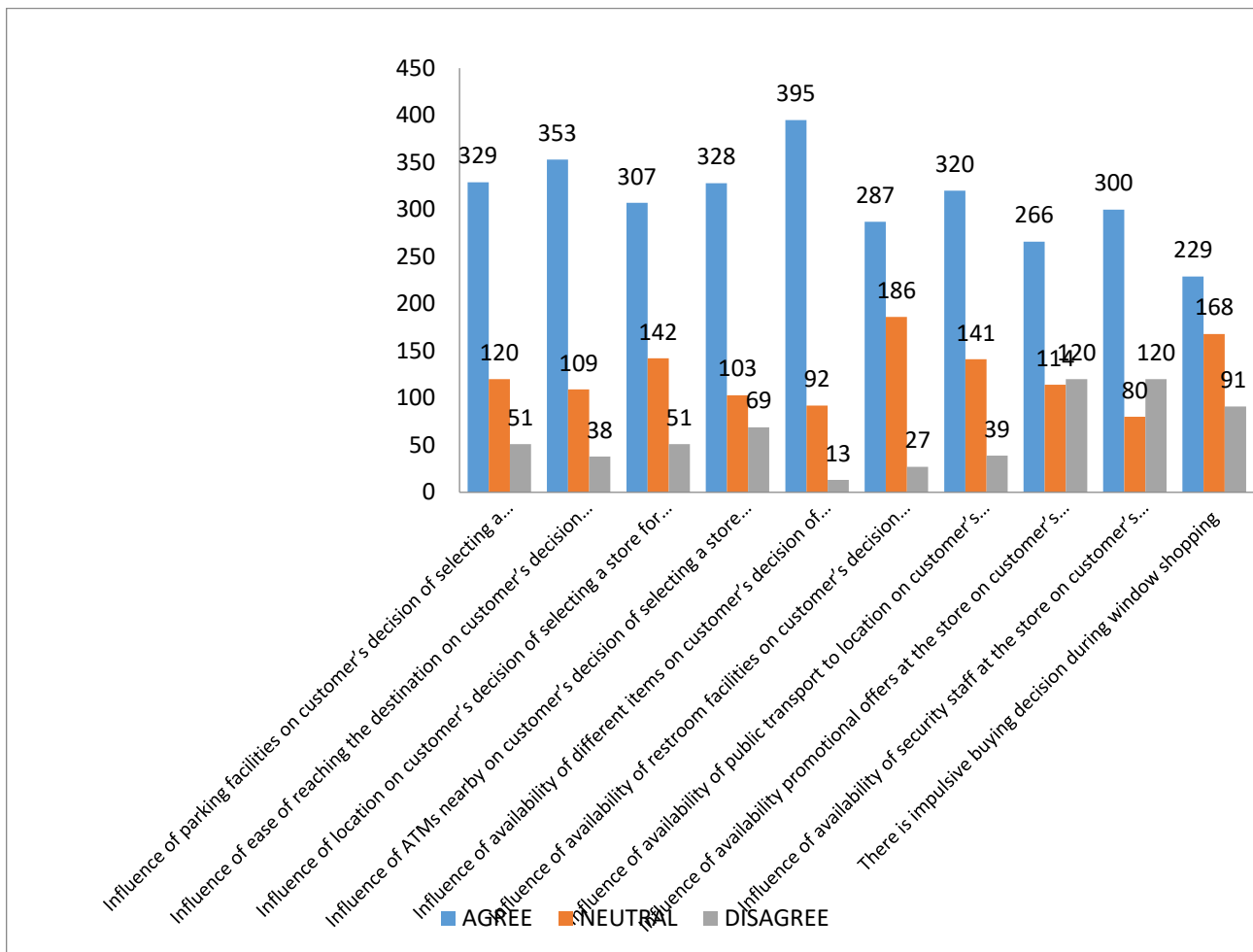


Figure 1: showing factors considered by customers while deciding a store for purchase.

The above analysis shows that majority of customers are influenced by external factors such as, parking, ATMs nearby, location of the store, restroom facilities, etc. Also the customers tend to exhibit an impulsive buying behaviour during window shopping.

COMPARISON ON CUSTOMER'S PERCEPTION TOWARDS STORES IN MALLS AND INDEPENDENT LOCATIONS.

- Purchase from location is considered as a status symbol.

RESPONSE	Shopping malls	Town Retailers
Strongly agree	20	20
Agree	133	92
Neutral	163	209
Disagree	125	132
StronglyDisagree	59	47
Total	500	500

Table 2: showing purchase from location is considered as a status symbol.

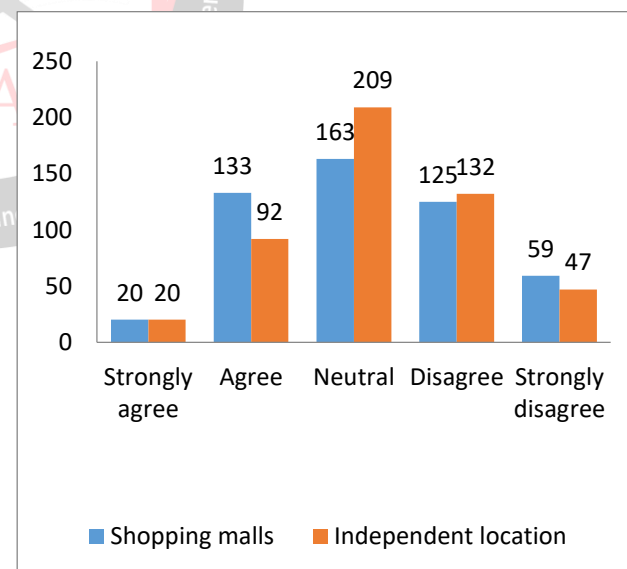


Figure 2: showing Purchase from location is considered as a status symbol.

The above analysis shows that more number of customers considers making a shopping at malls are part of status symbol than shopping at prime town locations.

- The customer's opinion regarding whether shopping malls provide better quality goods than independent stores.

Table 3: showing the customer's opinion regarding whether shopping malls provide better quality goods than independent stores.

RESPONSE	Shopping malls
Strongly agree	54
Agree	122
Neutral	147
Disagree	153
Strongly disagree	24
Total	500

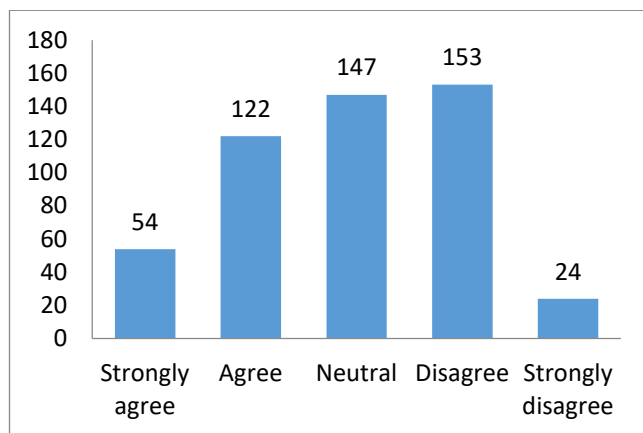


Figure 3: showing the customer's opinion regarding whether shopping malls provide better quality goods than independent stores.

The analysis proves that customers had no difference in their perception regarding the quality of goods sold in both the locations. Majority stated both the shops provided goods with same quality.

3. Amount spent in various shopping locations

Table 4: showing the amount spent in various shopping locations

Response.	Shopping malls	Independent Retail
Less than 500	41	159
Rs.500- Rs 1000	162	169
Rs.1000- Rs.1500	123	95
Rs.1500- Rs.2000	81	33
Above Rs.2000	93	44
Total	500	500

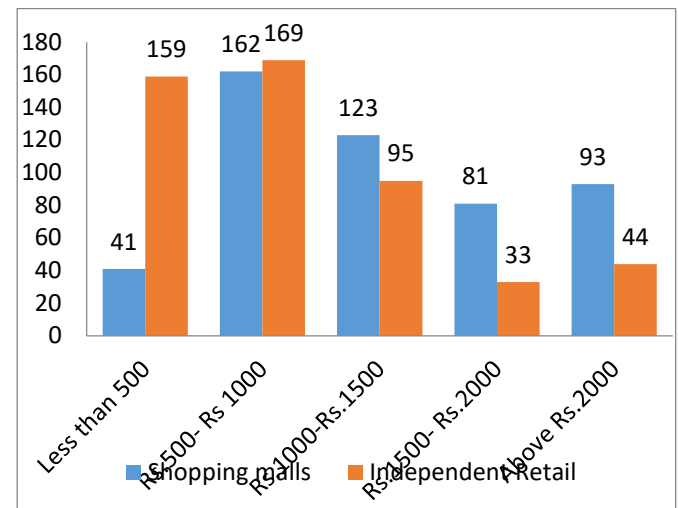


Figure 4: showing the amount spent in various shopping locations

It can be understood from the above trend that customers tend to spend lower amounts while shopping at town retail locations, whereas they spend more amounts at shopping malls. This can be because they are attracted to products due to window shopping.

VII. FINDINGS

1. External facilities such as parking, location of the store, ease of reaching the destination, availability of ATMs, security, restroom facilities, availability of public transport to the location, availability of different items in one location etc affect a person's decision on selecting a store for shopping.
2. Customers tend to exhibit an impulsive buying behaviour when they visit shopping malls. Also the average amount of money spend in malls were higher when compared to independent locations. This proves that stores in shopping malls attract more customers than town retailers.
3. Comparatively more people believe shopping from malls is part of status symbols than independent locations. Also a few people believe that goods purchased from malls will have a better quality than stores in independent locations.

VIII. CONCLUSION

The study proved that stores in malls hold an upper hand in the minds of customers compared to town retailers. External factors such as availability of parking facilities, restroom facilities, easy transportation, ATMs nearby, availability of variety of goods and services under one roof, availability of security staffs etc were important in attracting a customer towards a particular shopping location. These factors might increase the cost to a town retailer while setting his store in independent locations whereas such expenses can be shared among retailers in case of a shopping mall and thereby attract more customers to such locations. More customers considered shopping in malls as part of status symbol than the prime

town locations of the city. Customers tend to exhibit an impulsive buying behaviour during window shopping. Also customers tend to spend more amounts while shopping by in malls. This proves that comparatively more sales happen in shopping malls when compared to town retailers. Hence it can be concluded that retailers can consider setting up stores in shopping malls as it can help then to attract more customers towards these locations and thereby attain their breakeven more easily.

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