

The Conceptual Understanding of “Why Malls Are Not Preferred By South Indians”

A.N.Monisha, S.Divyalakshmi, M.Dhivya

(Department of Management Studies, Rajalakshmi Engineering College, India)

Corresponding Author: Dr.J.Krithika

Abstract: This paper indicates the growth and causes for running very few successful shopping malls in south India. As India is a fast-growing economy developing more shopping malls and grabbing the western culture. Currently, the shopping malls are attracting lot of interest in the form of footfalls of visitors but they are unable to convert a sufficient number of these into purchases. Whereas the cultural change in malls are not fulfilling the needs of the customer efficiently when compared to worldwide malls. Retailer's problem in growing competition is from online sellers who hand delivers goods to them for minimal cost. As the Indian shopper's euphoria about shopping malls gets toned down so it is struggling with a potent mix of real estate prices, construction cost and other issues. This has resulted in undifferentiated malls, plummeting, reduced profitability for tenants and no growth in retail business to absorb spent cost. Past studies have identified a number of factors such as ambience, physical structure, convenience, safety and marketing activities soon. This present study posits a optimal and focused approach on identification of various influence factor based on the multiple drivers of growth and the issues faced today by these shopping malls.

Keywords: Shopping malls, Brands, Tenant mix, E-Commerce, South Indians

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I. Introduction

Around 6 decades malls have been existing globally but in India only after the commencement of 21st century mall business started with real earnest. Western malls where flourishing over 50 years with social support from prodigal consumers who indulged in prominent consumption based on their credit limit that was much higher than their actual worth. Disastrous collapse in 2007 – 2008 where grounded these customers. The young blue collared service professionals, who indulged in prominent consumption for about a decade prior to 2007 economic crisis. In India the rapid change in consumer behaviour made the task more challenging and complex for developers and managers of malls. Huge investors are made in malls, whereas the structural design of mall is based and on location and character of mall once the malls is constructed it cannot be significantly altered so it is predominant to understand the consumer trends before finalizing the blueprints of malls. In India there are around 255 operational malls in top cities running successfully with appropriate square feet. For past few years, builders and developers have rushed to build without paying sufficient attention to what a mall requires to survive.

II. Literature Review

Mall familiarizing Indian consumers with an implausible experience while utilizing its services for entertainment and shopping. The aim of the study is to identify the perception of customers with respect to frequency of visits towards quality of service dimensions of mall to understand customer's view point (Patel, Grishma, Jain, Rajendra,2017) study focuses on the frequency of visits of mall customers to give a clear view about the acceptance of malls in indian society. It is concluded that mall respondent's frequency of visit is mostly on monthly basis. (Vipul patel & Mahendra sharma, 2009) made an attempt to study the motivations that people go shopping in mall. A mall intercept survey was conducted to study the shopping motivation of indian shoppers. This research identified three utilitarian (i.e. convenient shopping, economic shopping and achievement shopping) and six hedonic shopping motivations (i.e. shopping enjoyment, ratification shopping, idea shopping, shopping for aesthetic ambience, roll shopping and social shopping).

The research of (kuruvilla, Shelja jose, Ranjam.k, 2008) is to seek to address how Indian youth behave in the mall. It has attempted to identify the recreational and utilitarian orientation among Indian youth and examine gender differences in their attitude to the malls. Prior research in this area stems from the west and the first part of the paper explores the existing literature to formulate the research questions. In the analysis no major differences in the attitude or motives of both genders for shopping as a feminine activity. The numerous business scholars argue that so called consumers “patronage”, “well-being”, “retention proneness” or simply

“satisfaction from” a shopping mall, could also be driven by two even broader (in fact partially overlapping) factors: atmosphere (Arentze, Oppewal & Timmermans, 2005; Chebat, Sirgy & Grezeskowiach, 2010; Hoffman & Turkey, 2002; Massicotte, Michon, Chebat, Sirgy & Borges, 2011; Michon, Chebat & Turley, 2005; Pan & Zinkhan, 2006) and convenience in shopping malls in India (Devgan,deepak; kaur,mandeep, 2010; Eladly, 2007; Reimers & Clulow, 2009; Wager, 2007). The mall management needs to devise the policies to magnetize more number of people to visit malls.

In a preliminary study of (Robert.A.Baron, 1997), passersby in a large shopping mall were significantly more likely to help us same-sex accomplice (by retrieving a dropped pen or providing change for a dollar). Participants also reported significantly higher levels of positive affect in the presence of pleasant odors. In a second study, the order in which passersby were exposed to helping opportunity and rated their current mood was systematically varied. Result similar to the those of the first study were obtained; order of task had no effect on either mood or helping, but helping was significantly greater in the presence of pleasant fragrances than in their absence. Image as factor for enhancing shopping preferences in Indian malls (Prof N.H. Mullick, 2014).

Arpita Khare, Sapna Rakesh 2011, organized retailing is poised to grow up to as many as 600 malls in the next few years in India. This development created a competition among operators and redefined the nature of shopping. This research is to examine the impact of entertainment facilities in Indian malls on shopping behaviour. The study of (Frasquet, Gil and Molla, 2001 & Warnaby and Yip, 2005) have observed that shoppers tend to get attracted by special events and promotional schemes organized by a mall. Mall manager (Parsons, 2003) must differentiate promotion that drive sales versus promotions who visits and show possible combination that would be effective in generating optimum customer behaviour.

Tenant-mix seems the most commonly established as one of the most important dimensions of a shopping mall (Brito, 2009; Finn, Adam, Jordan.J & Louviere, 1996; Kirkup & rafiq, 1994; Teller, 2008) and indeed, Finn and Louviere, 1996 reported the enormous influence of an anchor stores characteristics on the shopping center image. Later on, teller and reuterer 2008 showed that tenant mix was the most among all other factors influencing overall attractiveness of the retail agglomerations. However, the newest evidence brought by Harvinder singh and Sanjeev prashar 2013 showed that “marketing” (including a tenant mix) is third in line to constitute the overall shopping experience, after ambiance and convenience; EL Heldhi et al, 2013 discovered that “functionality” (which included a tenant mix) is the fourth constituent of shopping well-being. Many leisure's researchers have confirmed that shopping characterized a form of leisure (Jakson, 1991; Myriam Jansen Verbeke, 1991) . Ron et al argue shopping could be a great deal of fun and shopping often involved browsing with no intention to purchase. Pooler, 2003 suggests that some people can be described as “shopping enthusiasts”.

There are more likely patronize malls that are more attractive and have wide variety of stores and merchandise that match their preferences (EL-Adly, 2007), personal selling in shopping malls is considered as an important service component along with hygiene and clean atmosphere. Shoppers exhibit patronage loyalty when they see the malls favorable based on the style, variety and quality of their products and services (Khong Kok Wei, Fon Sim & Ong, 2014). Though promotion offers as per (Arpita khare, Dhiren Achantani, Manish khattar, 2014) help in attracting value conscious consumers to a mall but are not important for consumers looking for utilitarian benefits while consumers with high incomes are not influenced with discounts however consumers normally look for high variety of products.

III. Factors Influencing Non-Preference of Malls In South Indian Shopping

1.EXPENDITURE OF MALLS:

The malls operational expenses are mostly high for the maintenance of common areas. The trading space in a mall is usually around 50 percent of the total area (parking not included) which is taken care by the individual stores. But the space is not constrain to all the stores. The mall management has to take care of the proper functioning of Equipements. The safety and security of customer tenant is also their responsibility. They also undertake frequent mall promotional activities and provide an overall pleasant ambience to shoppers. A typical income and expenditure statement of a medium sized mall (approximately 5000,000 sq.ft) for a month is Rs.22,00,000. These are incomes subjects to seasonal and occasional events. Taxes are included in the expenses of malls. The taxes paid by 3 times that are residential property and as much as four and a half times if it touches a major road. The break-even achieved by malls ca vary depending in the source of financing used and the potential of the catchment area. The malls that sell out stores to investors usually break-ever before the mall is constructed. In the total lease model. Break-even is based on working capital is usually achieved as soon as the mall is operational while return on investments will take a minimum of three to five years.

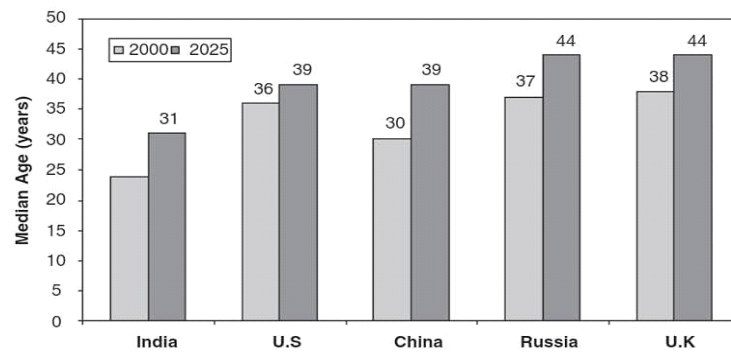


Figure 2: International comparison of Median age
Source: KSATecnopak Consumer Outlook (2004)

With these circumstances' malls need to run profitably so the cost of the product are high in ordered to make profit. Usually the rend of single shop which is 500 sq. Ft cost around 2lakhs per month approximately. This is the reason behind fixed price with no discounts. So the customer feels that the cost of the product is too high while compared to online stores or super markets.

2. UNPLANNED EXPENSES:

Malls become a battlefield of brands, where the products are tangible so it is easier for the people to inspect the quality and purchase the product. Sometimes the products attract the customer and tends to buy the product which is completely unwanted to them. This leads to spending more money in unwanted and unplanned expenditure of shoppers.

3. OVERCROWDING OF MALLS:

Overcrowding occurs mainly during weekends and holidays. Many customers will likely feel the clammy touch of a stranger when they head to the mall. The accidental interpersonal touch affects the customer satisfaction and behaviour. The corridors and crowded stores make shopping very difficult; people often end up forgetting the items they need to buy. Older people with mobility problems may have difficulty passing through the shopping center due to the breadth of the place.

4. ONLINE SHOPPING:

Online shopping platforms makes it possible for customers to buy anything at the comfort of his or her home. The online stores are available 24/7 all the time. The internet makes it possible for the client to access the service despite their location. This is unlike the shopping malls where customers must visit the premises to make purchases. Besides, some of the malls do not operate at all hours making it impossible for customers to buy when they are closed. Shopping is therefore made easier and more convenient as it allows for cancellation of transaction in case someone changes their mind. Apart from that, shoppers may also prefer online shopping due to the good discount offered to online shoppers. Also, the freedom to compare various brands or models through the help of detailed information of the product for sale and fact that online shopping saves time. Customers are relieved of the stress of standing in long queues at cash counters to pay for products purchased. Once customers have made their purchases, they can track the order status and the delivery status.

5. CONSUMER BEHAVIOUR:

The consumer behaviour “build them and they will come’ is the attitude towards consumers currently. It is essential to study the consumer behavior and differentiating the offerings. Nowadays, people believe that the malls are the best place to hangout for entertainment. It is not only a place to shop but also a place for social and recreational activities. The shopkeepers often hesitate to give description about the product due to lack of improper training. Due to overcrowding, people are unable to reach the required products. Most of the super markets and shops provide the facility of free door delivery whereas in malls consumer need to carry the goods with their own risk. The consumers are the loyal customers to their own regular merchant because those merchants provide special discounts, offers etc. Customer shopping behaviour will empower the international retailers, domestic retailers and mall operators to make their products and service effectively. The consumer evaluation is affected by design characteristic of malls as well as physical services like infrastructure, music, colour, intricacy of the mall layout and arrangement of products. The perception of malls differs on every individual and measures taken according to it.

6. TIREDNESS:

People’s usually getting tired and disappointing while shopping in malls. It doesn't provide the basic required of the consumers. For example, (1) there won't be any map facilities people's needs to walk a lot to find out their required destination and product place. (2) there is no seating arrangement will be provided for shoppers for relaxing. It may make the shoppers to feel tired and bored. (3) the major need is drinking water facility majority of the malls not having this facility .shoppers needs to carry their own water bottle else they need to rush up food court for drinking water.

7. TRADITIONAL FOLLOWERS:

South Indian peoples are mostly traditional followers. Usually mall is a place for foreign brands and westernized culture products. In most of the malls we can't get our desired traditional clothes. There will be huge variety of western wear which may not fit for south indian peoples. The desired colours and styles may not be available for them.

8. SWOT ANALYSIS OF SOUTH INDIAN MALLS:

<p>STRENGTH</p> <ul style="list-style-type: none"> • Variety of brands. • Well-connected location both public and private transports. • Interior decorations according to season and festivals. 	<p>WEAKNESS</p> <ul style="list-style-type: none"> • Less sale • Wide sitting place outside mall • Pressure of increasing lease and rents • Low in scalar chain
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Mall space utilization for advertisements. • Growing fashion consciousness • consumers in both development and emerging countries are increasing their internet purchases. 	<p>THREATS</p> <ul style="list-style-type: none"> • Imported premium brands. • Competitive online players. • Economic slowdown affecting the purchasing power of target consumers. • Lack of user guide and mall map.

IV. Conclusion

Shopping malls are constantly innovating to meet and exceed thr expectation of the evolving customer. To make malls successful it is essential to establish the mixed-use business that incorporate social and provide unique appeal along with considerable depth of shopping experience. The forum focuses on various technology to overcome the conflicts. Hence, we can bring experimental shopping to daily visitors, the world come together to understand the complex nature Indian consumer landscape and to maximize the business. With an appropriate concrete location, consumer behaviour, tenant mix and concurrently shopping Centre should possess parking facility, elevators, clean ambience, spacious dining areas and recreational facilities. Malls mush have to everything to drive footfalls. Moreover, the ability to anticipate and align with changing consumer needs. To ensure there is enough excitement to attract people.

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