# Need of changing lifestyle of customer through high performance retail

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**Abstract**

*The aim of the paper is to examine the activities consumers engage in malls, whether the mall culture is gradually gaining acceptance among consumers and the reasons for such acceptance. Modern organized retail is evident in supermarkets and multi-storied malls that offer shopping, entertainment and provision for eating under one roof. Retailers and mall managers should be aware of the benefits perceived by consumers at malls, whether consumers are shifting their preference from traditional zone-based buying to shopping in malls and the factors responsible for such change, in order to optimally position themselves. The study finds that primarily in the malls for shopping, consumers prefer eating at food-courts, window shopping and entertainment in the form of movies at multiplexes or video game parlors. 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.*

**Keywords**: L*ifestyle, Mall, Organized, Consumer*

## Introduction

The recent surge in the growth of shopping malls in India is changing the way people shop. Today consumers look for facilities like cost, comfort, convenience, in-houseparking, entertainment, coffee shops, multiplexes, play areas for children, gaming and food-courts when they step into these malls. It is not just about shopping, dining, or watching a movie, it's an experience in itself, a lifestyle activity, and providing this experience is what these malls are building up as their USP. Organized retail stores are characterized by professionally managed large format stores, providing goods and services that appeal to consumers, in an ambience that is conducive for shopping. The possibility of shopping for clothes, shoes and grocery, while simultaneously having provision for eating at food-courts and entertainment in the form of movies at multiplexes or video game parlors, has been a convenient experience for the consumers. Also pollution-free, air-conditioned shopping ambience in the malls is preferable to the heat, humidity, noise and air pollution associated with roadside shopping. The quality of the products is guaranteed as most malls house well-known brands and retailers. For consumers not confident about bargaining and preferring to avoid crowded marketplaces, shopping malls provide the necessary solution. They are an option to the younger generation who have not contemplated serious shopping or other activity and prefer to spend their leisure time. With the supermarket revolution, consumers shop at the local kirana store and at the bazaar for fresh produce, but it is also supplemented by shopping at the supermarkets. So across all sections encompassing the value-for money seeker, the monthly grocery and annual clothes shopper, the impulsive buyer and the promotion-offer-pursuer, shopping behavior pattern in the city is changing radically. People have imbibed an aspirational lifestyle and have become brand conscious. Consumers no longer feel intimidated by the well-formatted airconditioned malls and the upper-middle class as well as the lower-middle class is gradually being swept into the different formats of malls.

Literature Review

Customers increasingly expect higher quality and service and some customization. In response entrepreneurial retailers are building entertainment into stores with coffee bars, demonstrations andperformances. They are marketing an 'experience' rather than a product assortment. Subsequently, store-based small retailers are succumbing to the growing power of giant retailers (Kotler, 2002). Importance of shopping malls to realty sector has also been identified. One cannot sell real estate unless they are bundled with shopping malls, IT parks, etc. (Sumit Dabriwala, Managing Director of Riverbank Holdings Pvt. Ltd.). It has been observed that a consumer's motive for store choice is a function of many variables (Loudon and Della, 1993). Although the influence of the elements differ, factors like store location, store design and physical facilities, merchandise assortment, advertising and sale promotion, store personnel, customer services and clientele (social-class membership) exert great influence on store choice. Product variety and convenient timings seem to be primary impression about the store, consumers carry with them (Piyush and Arindam, 2004). The average Indian also devotes some time to leisure every day and the growth of retail is contributing to shopping becoming a preferred option (Figure 1).

Big malls offer the customer a unique experience when they shop, regardless of their status, where people with not so great purchasing power also throng the stores. Everybody wants to be seen and experience the feeling of shopping at such huge places and people have already started to associate it with status (On-line debate, Reliance's foray in retail, Jay, employed in MNC dealing with Super/Hyper Markets, April 22, 2006). Women undertake shopping as a social experience, which the Internet does not provide and like to see what they are buying before parting with their cash (What women can't buy on the Net-James Orr). When two women shop together, they talk, advice and consult. It's a social activity that can result in bonding.

A study by Pantaloons Retail India Limited (PRIL) has segregated consumers into three sets-the consuming class, the serving class and the struggling class. The consuming class, i.e., the upper-middle and the lower-middle class, has substantial disposable income and constitutes only 14% of the country's population. All modern retail formats were attracting customers mostly from this segment till recently. The serving class constitutes almost 55% of the population and includes drivers, household helps, office peons, liftmen, washer men, etc. They have very little disposable income to spend on buying aspirational products and services though their population is sizeable. The deprived class lives a hand-to-mouth existence and cannot afford to even aspire for a better living. The present retail formats cannot address their needs and thus they will continue to be on the boundaries of the consumption pattern for some time now.

Since 1995, the top three income classes- rich, middle and aspirer-have moved from 20% to 48% of Indian households (Figure 2). Over that period, 28% of households have moved out of the deprived category and into the aspirer category. This upward mobility-from deprived to aspirer - and from aspirer to middle class poses growth opportunities for retailers. It is thus important to study the demographics of consumers at malls, what they buy and the reasons for their purchases in order to understand the buyer decision- making process. 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.

**Retailing in India**

Retail in India has emerged as one of the most dynamic and fast-paced industries. "Organized retail presently constitutes a very little share of less than 5% of the total retail market" .Of that, 96% is in the ten biggest cities, and 86% in the biggest six. Within the top cities of the country too, retailers concentrate on the top segments of the population. Today the major Indian retail players are Future Group, RPG Enterprises Ltd., Tata Group, ITC, Reliance Retail, Bharti Retail, K Raheja, Landmark, Aditya Birla Retail, Vishal Retail and Subhiksha. Kolkata was India's commercial capital in 1950s, which shifted to Mumbai in 1960s and Delhi in 1970s. The southern cities of Chennai, Bangalore and Hyderabad have noted more economic activity over the last decade. Kolkata still remains the vital cultural and commercial center not only of West Bengal but also of other eastern and north-eastern states of the country. .

India has a significant population of young Indians with a median age of 24-45 years, who have an aspirational lifestyle and are on the look out for variety.

**Objective of the Study**

The mall phenomenon in India is changing the way people of the city shop. While exhibiting gradual acceptance of the organized retail formats Indians are moving out of their zone-based buying behavior and have significantly increased their spending at the malls. The basic objective behind this market survey is to analyze the perceptual change in consumer frame of mind regarding modern retail outlets, the various reasons regarding consumers' gradual acceptance of organized retail formats and to study consumers' overall shopping experience. The broad research questions that form the basis of this explorative study are:

* What are the various activities undertaken by consumers during each visit to the mall?

* What is the nature of change in activities of consumers at malls, during the survey period?

* What are the factors that are responsible for the consumers' preference for shopping at malls visà- vis stand-alone stores?

* After initial experience of consumers at the malls, are they repeating their visits for successive purchases?

* What are the various product categories on which consumers spend at the malls?

## Research Methodology

### Consideration of Time Period

To conduct the market survey for the purpose of establishing the relation between the emergence and evolution of shopping malls in Kolkata and the change in the consumption pattern of the consumers, the market survey has been carried out for a period of 33 months from July 2004 to March 2007. The relevant data used for this purpose are figures that have been specified by the consumers in the course of their interactionthrough the questionnaire (Appendix).

### Collection of Data

An important pre-requisite to the survey has been the preparation of a questionnaire with close-ended questions. The close-ended questionnaire would enable to keep the survey within well-defined parameters while assessing the varied observations relating to the options indicated by the consumers. Data for the market survey has been collected from primary sources, through intercepted- interviews conducted on a cross-section sample of 660 consumers selected at random at the sites of the 14 above-mentioned malls. Visits were made twice every month-once on a weekday and once on a weekend. Twenty people were interviewed every month. People were approached and interviews were requested only when found that they were employed. Thus, employment was the primary criteria for selection. After the necessary introduction, mentioning the purpose of the interview, the consumers were requested to provide necessary details in the structured questionnaire-sheet. The analysis and interpretation of data is done both graphically and mathematically by using SPSS.

### Analysis and Interpretation of Data

'Awareness about the mall' is mostly experiential learning through previous buying experience in the mall (84.8%). Other sources are newspapers, television advertisements, billboard displays, friends' word-of-mouth advice and distribution of handbills. For 74.2% of respondents 'mallvisit' is a regular activity, for others it is restricted to special occasions. 88.8% of respondents mentioned their lifestyle factors as 'inducements for shopping in malls'. Other factors are status-related satisfaction derived and greater disposable income that enabled them to prefer shopping malls. 'Previous shopping habit' for 79.6% respondents was to visit standalone stores, others selectively picked from the local market in their locality. Average 'money spent' during a single visit to the mall was Rs. 3,000 for 60% of the respondents. Average 'time spent' in the mall 3h (43.6% respondents) and it varied from 2 h to 5 h. Preferred 'mode of payment' was by credit cards (58%) while others made their payments by cash. 95% of respondents had a positive 'attitude towards the mall', while others indicated indifference about this new concept. Only 15% indicated absolute retail brand 'loyalty'. Other 73% suggested that they were building strong retail band loyalty while the remaining respondents had not yet developed retail brand loyalty.

**Observation**:

Window-shopping is the preferred activity at malls for the respondents (95.5%) followed by shopping (86.9%) and eating at food-courts (51%). Other preferred activities indicated are attending events, promotions, product launches and competitions; spending leisure time with family and friends and entertainment at multiplexes and video game parlors.

* Majority of the respondents engage in window-shopping and browse through the malls with no intent to purchase, possibly just to pass the time between other activities or to plan a later purchase.Shopping in the malls is a preferred activity for respondents:

- There has been a fundamental shift in the mind-set of consumers. The joint family has mostly become nuclear. Increasing number of working women and ensuing doubleincome families have provided the young-middle class consumers with higher disposable incomes. With this affluence, consumers can afford the aspirational lifestyles and buy their choice of brands.

- Attitude towards money is also changing. Previously most families preferred saving to consumption, but today young Indians prefer spending. They are open to taking on credit-card debt and with lower interest rates people are also saving less.

- Malls and retail giants project values relating to trust, confidence, credibility and reliability. Consumers are ready to pay a premium to avail these facilities.

- Many of today's consumers have less time to spend despite the growth in income. This has given rise to a requirement for a one-stop shop to address their monthly or weekly shopping needs. Hence, apart from the shopping experience, consumers also look for value and convenience.

* There has been a shifting role of the woman in the home, more disposable income with less time to visit markets and cook, usually implies eating meals outside the home. Consequently eating meals at food courts is an important activity in the malls.

* Magic shows, music album launches, celebrity endorsements, book-reading sessions are also arranged in malls periodically and such programs prove to be a great inducement for people to come into malls. For example: The Metropolis at E.M. Bypass for a limited period organized Kaun Banega Crorepati (a quiz program modeled on the lines of a famous television show) in the mall.

A comparative study on the abovementioned parameters such as shopping, entertainment, eating, window shopping, family outing, spending leisure time, events and promotions, etc., has been depicted by the line charts, to understand the change in trends of activities undertaken by consumers at malls, during the three timeperiods of survey:

The outside façade, the inner atrium, soft music that is played in the mall, clean and spacious corridors collectively create a pleasant ambience in the mall. Usually it is seen that the consumer's preference for malls cannot be attributed to any one factor, but is an amalgamation of various factors that draws them to the malls. The distance of the mall from home, the interior designing, anchor tenant, brands, comfort level, location of the mall, the displays, sales, the experience of visiting a mall, food and entertainment, the interaction with the staff and the overall combined effect impacts the buying behavior of the consumers which makes them prefer malls.

It may be suggested from the above graph that the stand-alone shops have been affected to a great extent by the recent surge in shopping malls, as 66.4% consumers in malls have indicated that their alternative to shopping in malls would be shopping for their requirements in stand-alone stores. Till the advent of malls, consumers have shopped from stand-alone stores. It is only when given an alternative that they prefer shopping in malls. This change in the consumers' behavior is expected to leave an obvious impact on the small and medium stores.

A comparative study on the consumer profile at the malls has been depicted by the line chart on the basis ofthe abovementioned data, to understand the change in trends of consumers at malls, during the three time-periods of survey (Figure 14). It is noted that though presently a greater percentage of the visitors to malls are still the experiencers, the number of regular users and first-time users has shown a consistent increase with the decrease in Experiencers over the period of July 2004 to March 2007.

This depicts the trend that the mall culture is gradually gaining acceptance among consumers. The underlying cause for such behavior is that with the passage of time, when people are past the initial novelty of malls and have acquainted themselves with the various brands, anchor tenants, assortment of product categories in the malls, they then engage in the actual act of making purchases from malls. This trend should continue for growth in organized retail and malls continue to establish themselves over the city. Consumers have the disposable income and are willing to spend. The malls are avenues and outlets where they can address their lifestyle requirements, so they readily adapt to this newly acquired experience.

Presently a greater percentage of consumers spend on garments as is evident from the graph. The data from this present survey corresponds to the chart on percentage share of retail segments in total retail sector, which indicates that clothing and textile command a lion's share in the country's organized retail.

**Summarization of Results**

As has been represented in the analysis and interpretation of the sample data collected from a cross-section sample of 660 consumers, during the course of the market survey correlating the recent revolution in the organized retail sector and the underlying causes as to why the consumers have chosen to change their previous shopping habits and shift preference to shopping malls, it has been established that given an alternative, Indian"'s citizenry prefer the malls which, has turned shopping into an experiential activity and become a community hub where families congregate and also entertain themselves.

In this study, we show that primarily in the malls for shopping, consumers prefer eating at food-courts, window-shopping and entertainment in the form of movies at multiplexes or video game parlors. They also attend events, promotions, competitions and product launches that are organized in the malls and spend their leisure time with family and friends.

Over the period July 2004 to March 2007, shopping as an activity has increased in the malls. It has shown marked precedence over window-shopping. Entertainment at multiplexes and video game parlors has also gained rapid acceptance among consumers. Eating at food-courts is a preferred activity and has shown a gradual increase during the period of survey. Activities like window shopping, attending events, promotions and coming to malls for singularly spending leisure time, no longer remain the primary reasons for consumers to visit malls and are clearly indicated by the declining trend over the survey period.

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 ofshopping 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 Kolkata consumer'. The consumers are changing their spending habits, consumption patterns and leisure time activities to lay the foundation for the organized retailindustry to gradually gain ground from its present less than 5% of the market.

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