Indian Management Studies Journal 21 (2017) 163-172

Indian
Management
Studies Journal

Effect of Demographics on Shopping Behavior of Customers in Malls vis-à-vis Standalone Outlets

Jagdeep Singh* and Dyal Bhatnagar**

** University School of Business Studies, Punjabi University, Talwandi Sabo.*

*** University School of Business Studies, Punjabi University, Talwandi Sabo.*

Abstract

Retailing has emerged as one of the sunrise industries in India. The retail boom in India is likely to push the number of malls in the country. The present paper tries to understand the effect of demographics on shopping behavior of the customers'. The objective is to examine if the customers' preference for mall vis-à-vis standalone store outlets and related parameters are being affected by the demographic profile of the respondents. A self-structured questionnaire has been used for collecting the data from 500 consumers of six cities of Punjab i.e. Ludhiana, Amritsar, Jalandhar, Mohali, Patiala and Bathinda. Cluster convenience sampling method has been used for the study. The emerging retail formats considered in the present study are – Malls and Standalone stores. The chi square is used as a statistical tool to test association among demographics and parameters of customer shopping. The findings of the paper reveals that Age, Education, Profession and Family size of shoppers are the variables which remained significant for most of the times and drive the choice of stores. The study also indicates that consumers prefer standalone stores for food & grocery and prefer malls for apparels.

INTRODUCTION

Retail has become one of the pillars of the Indian economy. It has emerged as the fourth largest economy in the world in terms of Purchasing Power Parity (PPP) and identified as third most attractive retail destination globally (Kearney, 2010) after USA and China. In India, the retail sector is divided in two broad sectors-unorganized and organized. Earlier, retail in India has evolved to support the unique needs of the country. Since 1990s, retail scenario in India has seen a major shift from traditional kirana shops to modern formats such as departmental stores, hypermarkets, specialty stores. Though the market has been dominated by unorganized players, the entry of domestic and international organized players is set to change the scenario. An estimated growth of 13 percent annually (Kokatnur 2009) is expected due to change in changing income profiles, lifestyle of consumers, growing young population, increased credit friendliness and changing taste and preferences. The report by Sarwar (2006) said that there is going to be immense growth in retail sector due to changing consumer profile and demographics, increasing urbanization, increasing investment in technology and real estate building a world class shopping environment for the consumers. Consumer perception in retailing is more unpredictable and volatile than ever before. Over the last 6-7 years, Indian consumer market has seen rapid growth in the modern day shopping centers popularly known as 'Malls'. The retail boom in India is likely to push the number of malls in the country, but uncertainty remains about the success of these malls. Another retail format, Standalone store is that store that is not directly connected with the shopping mall, being a single unit. It is small, independent, usually family owned, controlled, and operated business that has a minimum amount of employees, and is typically not franchised, therefore, open for business only in a single location. Standalone stores are businesses that are owned and operated in a single location like the main shopping center of the city. Therefore, there is a need to study behavior of consumers in large shopping malls vis-a-vis standalone outlets, which can be helpful in designing appropriate marketing strategies for satisfying consumer needs and wants. The present research paper is a small attempt for the same.

LITERATURE REVIEW

Previous studies had identified that customers prefer organized retail formats like malls and standalone store due to certain factors such as attractiveness of store, convenience to stores,product range and services provided by retail outlets, offers and after-sale services availed by customer, entertainment value. Reasons behind this are services provided by these stores and there is rise in the working population in India which is contributing to the growth of the organized retail sector. As the earning capacity of Indian people is on a rise, the demand for organized retailing is also increasing; opined by Jasveen Kaur (2013) Khan and Mehtab (2013).

Previous study by Jhamb & Kiran (2012), Kaur & Singh (2007) and Dash *et al.* (2009) analyzed that in modern retail formats consumers prefer product attributes like improved quality, variety of brands and store attributes like parking facility, trained sales personnel and security. Consumers prefer mall and specialty store to purchase shopping goods like clothing, footwear and jewellery. Studies explored that higher income consumers, disposable income consumers and young generation visit modern retail formats more as compared to older ones with low income. Kavita kanaba (2012) examined the mall culture gaining acceptance among consumers. Consumers are preferring mall because of air-conditioned environment, availability of categories of products under one roof, car parking facilities, convenience of shopping food courts, window shopping, entertainment and leisure.

Previous studies had identified consumer buying behavior factors involved in purchase decision in organized sector such as consumer demographics like age, income, occupation, education influence purchase decision. Service and quality play an important role for customer satisfaction and loyalty. Customers prefer organized retailers because of factors such as location, cleanliness, offers, quality and helpful nature of employees which are at disadvantage in kirana stores, Further, one-point shopping for all your needs, layout, ambience, value-added services, technology, self-service are the dimensions that influence buying behavior as opined by Somasekhae and Saleem (2014) Khan, Rana & Singh (2014), Jayaraman & Aggarwal (2001), Rajagopal (2007), Jain & Begdare (2009) and Jacobs (2010)

Previous studies examined the effect of shopper's socio- demographic, geographic and psychographic dimensions in terms of format choice behavior in the fast growing food and grocery retailing. The findings suggested that shopper's age, gender, occupation, education, monthly household income, family size and distance travelled to store have significant association with retail format choice decisions. Further, accessibility by car is the most important grocery store attribute, stores' cape quality,childcare are most important facilities, opined by Prasad & Aryasri (2011), Nilsson, Tommy, Garling & llnordvall (2015), Pandey, Khare & Bhardwaj (2015), Mittal (2008)

The study by Singh & Sahay (2012), Khare, Achtani & Khattar (2014) explored the mall shoppers and identified factors : ambience, physical infrastructure, marketing focus, convenience, and safety and security for visualizing shopping experience and improving convenience and creating ambience. Further, price discounts, gifts, coupons, and rebates are offered by mall retailers to attract store traffic and increase sales. India has seen a rapid mushrooming of shopping malls in the recent past.

OBJECTIVE AND METHODOLOGY OF STUDY

With this backdrop, this research paper examines the effect of demographics on shopping behavior of the customers. The objective is to examine if the customers preference for mall vis-à-vis standalone store outlets and related parameters are being affected by the demographic profile of the respondents.

The present study is of descriptive in nature based upon the primary data. A self-structured questionnaire including close-ended and multiple choice questions have been used for collection of primary data from consumers of Punjab. Data has been collected through survey method from six cities of Punjab i.e. Ludhiana, Amritsar, Jalandhar, Mohali, Patiala and Bathinda. The sampling size is 500 customers and cluster convenience sampling method has been used for the study. Clusters being the six cities of Punjab picked up on pro rata basis, based on urban population of these cities as per statistical abstract of Punjab, 2014.Two types of goods such as Food & Grocery and Apparels have been taken into consideration. The emerging retail formats considered in the present study are – Malls and Standalone stores. The chi square is used as a statistical tool to test association among demographics and parameters of customer shopping behavior.

HYPOTHESIS

There is no significant relationship between demographics with parameters of customer shopping behavior. Further, this hypothesis has been divided into sub hypothesis for analysis purposes.

RESULTS & ANALYSIS

The demographic characteristics of the respondents (Table1) shows that there were equal respondents (50.4%) were female and (49.6%) were male. In regard to age group, most of them are young people (59.4%) with unmarried (58%). Education profile of the respondents shows that most of them have graduate (42.2%) or post-graduate (35.6%) level qualification followed by professionals (18.4%). Most of the sample consumers i.e. (50.8%) belong to service class followed by professionals (21.2%). It is further revealed that most of the respondents belong to the Rs 20000-30000 monthly income group with family size having 4-5 members (57.6%) in the families of the respondents.

Table 1
Demographic Profile of Respondents

Demographic		No. of Respondents	
		Frequency	Percentage
Gender	Male	248	49.6
	Female	252	50.4
	Total	500	100.0
Age Group (in years)	Less than 20	28	5.6
	20-30	297	59.4
	31-40	122	24.4
	41-50	44	8.8
	Above 50	9	1.8
	Total	500	100.0
Marital Status	Married	184	36.8
	Unmarried	290	58.0
	Others	26	5.2
	Total	500	100.0
Education	Matriculation	19	3.8
	Graduate	211	42.2
	Post Graduate	178	35.6
	Professional	92	18.4
	Total	500	100.0
Profession	Agriculture	25	5.0
	Business	75	15.0
	Service	254	50.8
	Professional	106	21.2
	Housewife	13	2.6
	Student	27	5.4
	Total	500	100.0
Income (per month in Rs)	5000-10000	54	10.8
	10001-20000	133	26.6
	20001-30000	177	35.4
	30001-40000	74	14.8
	>40000	62	12.4
	Total	500	100.0
Family Size	1-3	139	27.8
	4-5	288	57.6
	5-6	73	14.6
	Total	500	100.0

Table 2
Parameters of Customer Shopping Behaviour

Parameters of Customer Shopping Behaviour		No. of Respondents	
		Frequency	Percentage
Preference for Food & Grocery	Mall	194	38.8
	Stand alone	306	61.2
	Total	500	100.0
Preference for Apparel	Mall	268	53.6
	Standalone	232	46.4
	Total	500	100.0
Frequency of Shopping for Food & Grocery	Once a Week	184	36.8
	Once a Fortnight	130	26.0
	Once a Month	186	37.2
	Total	500	100.0
Time for Shopping Apparels	On Festivals	51	10.2
	On Wedding	74	14.8
	On Sale Offers	173	34.6
	Seasonally	202	40.4
	Total	500	100.0
Travel to Visit the Store	Less than 3 Km	134	26.8
	3-5 Km	178	35.6
	5-7Km	110	22.0
	7 Km and Above	78	15.6
	Total	500	100.0
Day for Preference for Shopping	Weekdays	54	10.8
	Weekends/Holidays	245	49.0
	As & when Required	201	40.2
	Total	500	100.0
Amount Spent for Food & Grocery (per visit in Rs.)	Less than 1000	91	18.2
	1000-2000	142	28.4
	2000-3000	138	27.6
	3000-4000	81	16.2
	More than 4000	48	9.6
	Total	500	100.0
Amount Spent for Apparels (per visit in Rs.)	Less than 2000	108	21.6
	2000-5000	234	46.8
	5000-10000	124	24.8
	More than 10000	34	6.8
	Total	500	100.0

Table 3

Significance Values of Chi Square Test

Demographics	Preference for Mall or Standalone in Case of Food & Grocery	Preference for Mall or Standalone in Case of Apparels	Frequency of Shopping in Case of Food & Grocery	Time for Shopping in Case of Apparels	Travel to Visit the Store	Day for Preference of Shopping	Amount Spent on Food & Grocery	Amount Spent on Apparels
Age	0.163	0.654	0.078	0.026*	0.013*	0.047*	0.006*	0.306
Gender	0.887	0.155	0.576	0.141	0.007*	0.884	0.425	0.746
Marital Status	0.101	0.625	0.187	0.219	0.029*	0.260	0.110	0.024*
Education	0.618	0.045*	0.917	0.049*	0.205	0.000*	0.155	0.006*
Profession	0.033*	0.007*	0.025*	0.776	0.061	0.008*	0.748	0.079
Income	0.172	0.482	0.404	0.086	0.227	0.392	0.075	0.001*
Family size	0.405	0.022*	0.037*	0.014*	0.048*	0.266	0.128	0.042*

* Significant at 5% level value of significance

The above Table 2 reveals the parameters of customer shopping behavior. Most of the respondents (61.2%) prefer standalone store for preference of food & grocery. When preference for apparel is considered (53.6%) respondents prefer mall and (46.4%) prefer standalone store. A majority of respondents (37.2%) purchase food & grocery once a month followed by once a week (36.8%). When time for shopping apparels is considered, majority respondents (40.4%) purchase apparels seasonally followed by (34.6%) when sale offers are there. This revealed that discounts/sales promotion offers played dominant role at the time for shopping apparels. Most of the sample consumers (35.6%) travel 3-5 kms. to their favorite store followed by (22%) 5-7 kms. This revealed that larger the distance, lesser is the frequency of consumers to the store. Weekends/holidays are the favorite day for shopping (49%) followed by (40.2%) as per requirement. A majority of the respondents (28.4%) spend Rs 10000-20000 on each visit for purchase of food & grocery followed by (27.6%) in the range of Rs 20000-30000. A majority of the respondents (46.8%) spent Rs 2000-5000 on each visit for purchase of apparels.

It can be observed from Table 3 that only demographic variable Profession has significant association with the preference for Mall or Standalone in case of Food & Grocery. Demographic variables- Education, Profession and Family size are affecting the preference for Mall or Standalone in case of apparels. It can be observed that demographic variables Profession and Family size have significant association with the frequency of shopping in case of Food & Grocery. The reason may be that larger families prefer to shop less frequent as compared to smaller families. Demographic variables- Age, Education and Family size have significant association with timing for shopping in case of Apparels. It can also be observed that demographic variables- Age, Gender, Marital status and Family size have significant association with the travel to visit the store. Demographic variables- Age, Education and Profession have significant association with day for preference of shopping. It can be inferred that demographic variable Age has significant association with the amount spent on Food & Grocery. Also, it can be inferred that demographic variables- Education, Marital status, Income and Family size are affecting the amount spent on Apparels.

CONCLUSION

The major conclusion of the research paper is that both malls and standalone stores will coexist in Punjab, as both of them have their own advantages. The study revealed that customers prefer food & grocery from standalone stores and apparels from malls. The paper further explores that shoppers would like to minimize the effort of shopping by reducing the travelling distance. Thus, shoppers give prominence to proximity of the store. Age, Education, Profession and Family size of shoppers are the variables which remained significant for most of the times and drive the choice of stores. Gender, marital status do not influence significantly. Monthly household income did not come out as a significant factor. The study concludes that the above significant variables affect consumer behaviour more as compared to other demographic variables. The decision makers must take into consideration these variables while formulating strategies to analyse consumer behaviour.

References

Arpita Khare; Dhren Achtani; Manish Khattar (2014), "Influence of Price Perception and Shopping Motives on Indian Consumers' Attitude Towards Retailer Promotion in Malls", *Asia Pacific Journal of Marketing and Logistics,* Vol. 26 Issue 2, pp. 272-295.

A. T. Kearney (2008), "Retail in India : Getting Organized to Drive Growth", A. T. Kearney and Confederation of Indian Industries, Delhi.

A. T. Kearney (2010), 'Expanding Opportunities for Global Retailers -2010 Global Retail Development Index', Available at: http://www.atkearney.com/ images/global/pdf/

2010_Global_Retail_Development_Index.pdf

Berman & Evans (2012), "Retailing Management – Strategic Approach", New Delhi : Prentice Hall of India.

Cherukuri Jayasankara Prasad; and Ankisetti Ramachandra Aryasri (2011), "Effect of Shopper Attributes on Retail Format Choice Behavior for Food and Grocery Retailing in India", *International Journal of Retail and Distribution Management,* Vol. 39 Issue 1, pp. 68-86.

Deepika, Jhamb; and Ravi, Kiran (2012), "Emerging Retail Formats and its Attributes : An Insight to Convenient Shopping", *Global Journal of Management and Business Research,* Vol. 12 Issue 2, Version 1.0

Elin Nilsson; Tommy Garling; Agneta Marell; and Anna Nordvall (2015), "Importance Ratings of Grocery Store Attributes", *International Journal of Retail and Distribution Management,* Vol. 43 Issue 1, pp. 63-91.

G. Somasekhaeand; and S. Saleem (2014), "Shopper's Preference and Problems : A Study of Unorganized & Unorganized Retail Outlets in Chittoor District of Andhra Pradesh", *International Journal of Retailing & Rural Business Perspectives,* Vol. 3 No. 4.

Harvinder Singh; and Vinita, Sahay (2012), "Determinants of Shopping Experience : Exploring the Mall Shoppers of National Capital Region (NCR) of India," *International Journal of Retail and Distribution Management,* Vol. 40 Issue 3, pp. 235-248.

Jasveen Kaur (2013),"Customers' Perception Towards Global Retailers Influencing the Indian Organized Retailing", *The Indian Journal of Commerce,* Vol. 66 No.3.

Joseph, M. (2008), "Impact of Organized Retailing on the Unorganized Sector", Working Paper No. 222 by Indian Council for Research on International Economic Relations (ICRIER)

Jacops, S. A.; De Beer, H.; and Larney, M. (2010), "Adult Consumers' Understanding and Use of Information on Food Labels : A Study Among Consumers Living in the Potchefstroom and Klerksdorp Regions", *Public Health Nutrition,* 14(3), pp. 510-522.

Jayaraman, V.; and Aggarwal, R. (2001), "Determining Optimal Partnership in Technology Transfer-a Theoretical Framework", *Portland International Conference,* 1, pp. 256.

Kavita Kanaba (2012), "Change in Consumer Behavior in Surat with Introduction of Mall", *International Journal of Research in Finance & Marketing,* Vol. 2 Issue 4.

M.singh, Shantanu Saurabh; and Smriti Srivastva (2015), "Organized Retailing in India : A Socio Economic Study of Customers, Perception of Allahabad", *The Indian Journal of Commerce,* Vol. 68 No. 1, January-March.

Mishra, R. K. (2007), "Benchmarking Scheme for Retail Stores Efficiency", *International Journal of Marketing Studies,* 1(2).

Protima Goswami; and Mridula S. Mishra (2009), "Would Indian Consumers Move from Kirana Stores to Organized Retailers When Shopping for Groceries?", *Asia Pacific Journal of Marketing and Logistics,* Vol. 21 Issue 1, pp. 127-143.

Rituparna Basu; Kalyan K. Guin; and Kalyan Sengupta (2014), "Do Apparel Store Formats Matter to Indian Shoppers?", *International Journal of Retail and Distribution Management,* Vol. 42 Issue 8, pp. 698-716.

Swapna Pradhan (2009), *Retailing Management : Text & Cases,* Mcgraw Hill Education.

Shivendra Pandey; Arpita Khare; and Preshth Bhardwaj (2015), "Antecedents to Local Store Loyalty, Influence of Cultue, Cosmopolitanism and Price", *International Journal of Retail and Distribution Management,* Vol. 43 Issue1, pp. 5-25.

Syed Faisal Ali Khan; Divya Rana; and Harpreet Singh (2014), "An Empirical Study of Organized Strategies in Developing Customer Loyalty, Changing Purchase Decision and Developing Satisfaction in Consumer of Indian Sub-continent", *International Journal of Multidisciplinary and Current Research,* Vol. 2 March-April.