A STUDY ON CONSUMER CONVENIENCE STRATEGIES FOR SHOPPING MALL LOYALTY AT TANJAVOOR

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Abstract

Shopping malls have seen an impressive growth in India during the past few decades. However, the malls have not been able to consistently provide a one stop destination to the consumers in Tanjavoor this paper examines the attractiveness factors of shopping malls from the shoppers' perspective based on the survey of urban shoppers. There are three malls taken into consideration in this study which represent the city of Tanjavoor in a geographical manner. This paper proposes to study the shopping mall attractiveness wherein the attempt is to study the behavior and attitude of the shoppers towards malls. Furthermore, the paper also proposes to derive the constituents of an ideal mall from shopper's perspective. This study revealed six attitude factors of the shoppers towards malls: Locality & Convenience, Relaxed Shopping, Prestige Shopping, Product knowledge, Any day visit and Price Parity. The study also arrived at characteristics of a mall that people consider while visiting the mall which are Overall Attractiveness, Amenities & Atmospherics, Personnel, Shopping Ease and Convenience. The categorization of attractiveness factors for studying the behavior and attitude of the shoppers towards malls reveal the overall insight about the concept of an ideal mall and therefore, allow the mall managers to develop effective retail strategies to deliver the desired values.
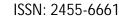
Keywords:

Attractiveness- Amenities –Atmospherics- Personnel-Shopping Ease - Convenience

Introduction

India has been ranked as the most attractive nation for retail investment among 30 emerging markets (GRDI, 2010). The Indian retail sector is booming and mall growth is being seen as a clear indicator of the economic prosperity in the nation. These shopping-cum-entertainment destinations are getting bigger and better and attracting shoppers mainly with sporting multiplexes and food courts. Dominant retail activity is visible in the top cities in tanjavoor are also witnessing change. The malls with multiplexes are catering to A shopping

mall for the purpose of study has been defined as mall typically enclosed with a climate-controlled walkway between two facing strips of stores (Das, 2009).

Identification of Research Problem

In the markets like Delhi and NCR, where there is no shortage of quality shopping and long distances can be easily travelled via Metro, shopping mall developers need to think something different and fast. There is still untapped opportunity in Delhi and NCR, and if planned properly and in the right direction, it would be fruitful to all stake holders. So, the question rises, "What strategies should be devised and implemented by mall operators for the success of shopping malls?"
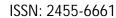
Research Questions

The research questions posed in this study were: "To identify how various shopping malls attributes rate on shoppers" evaluation in shopping mall selection". "To determine how to categorize various shopping malls based on customer perceptions". "To know how to profile various shopping mall customers based on demographics and behavioural variables". "To understand how to propose strategies for creating shopping mall loyalty".

Problem Statement

The overall picture of a broader context of shopping behaviour of customers helps in understanding the current position of existing malls and in determining the need gaps not met by such malls. The study undertaken could help a mall to fill up the gap, first among its competitors, by defining "How to propose strategies for creating shopping mall loyalty by identifying relevant shopping mall attributes in mall selection, assessing underlying customer perceptions leading to categorization of various shopping malls and profiling shopping mall customers based on demographics and behavioural variables?"

Significance of the Study

The study focused on determining latest mall trends in India, the fundamentals of good shopping centre investment, top challenges for mall managers in Asia, need for mall managers to focus on running properties in perfect condition & operating using best practices & international standards, all activities in mall management to be directed at enhancing the guest experience & increasing the value of the centre through strong merchandising and great marketing (McArthur, 2011) for owners, mall managers, investors, tenants, customers, government, statutory organizations, researchers, academicians and doctoral students and other stakeholders viz. media partners, event sponsors, outdoor advertisers, kiosk owners and others.

Objectives

The study was focused on objectives mentioned below:

- ➢ To identify shopping mall attributes in mall selection.
- ➢ To categorize various shopping malls according to customer perceptions.
- ➢ To profile shopping mall customers on the basis of demographics and behavioural variables.
- ➢ To propose strategies for creating shopping mall loyalty.

Hypotheses

The study considered following hypotheses for the achievement of objectives:

- ➢ 1-Ho: Different shopping mall attributes have different importance as perceived by customers.
- ➢ 2-Ho: Categorizing shopping malls on the basis of customer perceptions is different from the traditional classification based on location.
- ➢ 3-Ho: It is possible to profile various customers visiting shopping malls on the basis of demographics and behavioural variables.

Review of Literature

The literature reviewed was based on the research work conducted by renowned researchers all over the world and published in journals of repute in context with shopping mall attributes, mall marketing mix, mall classification, mall shopper typologies, mall image and relationship with mall loyalty.

The last few years have witnessed an accelerating increase of shopping malls in the Indian retail sector. The evolution of malls happened not with a motive of evolving a new retail format but with the basic idea of developing a community center for people where they could converge for shopping, cultural activity and social interaction. Gradually malls increased in huge numbers that they replaced the street shopping centers and became shopping communities themselves. Feinberg et al, 1991).

The shopping centers which are larger could facilitate variety of shops and create pleasant environment for the shoppers, leading the shoppers to visit and stay longer (Ooi & Sim, 2007). The shopping malls attract regular and tourist shoppers towards frequent shopping and most of the growing cities are patronizing the shopping malls compared to the downward market places (Maronick, 2007).

The consumers may be attracted to a mall by feelings evoked by qualitative aspects of a particular amalgamation of stores rather than a variety of stores with a limited depth and width (Meoti et al, 1991).

This is because consumers in an overcrowded market, when have choice of variety and several shopping center options for multiple purpose trips, the need arises for a measure of attraction, which grasps the essence of consumer's liking and can also be practically applied. The stores which a customer shops in represent reinforcing stimuli that contribute to the attraction response towards the mall. It was termed as the reinforcement-affect model and an experimental study was conducted to prove that the more likeable stores that a mall housed, the more acceptable the mall was to the consumer.

The in-store environment variables in the shopping malls driving impulsive buying behavior include display of point of sales posters, exhibiting promoting discounts and cheaper prices, while the atmosphere engagement referring to enjoyment, elegance and attractiveness is indicated by ambience inside the shopping mall. Such behavioral drivers may also be referred as in-store promotional effect and atmospheric effect. (Zhou & Wong, 2004).

Moreover, major attributes of shopping mall attractiveness include comfort, entertainment, diversity, mall essence, convenience, luxury from the perspective of shoppers and such shopping mall attractiveness may be designed in reference to the three broad segments of shoppers that include stress free shoppers, demanding shoppers, and pragmatic shoppers which enables mall managers to develop appropriate retailing strategies to satisfy each segment (EL-Adly, 2007).

The shopping malls needed to be positioned effectively so that it increases footfalls of shoppers which would require greater attention to ambience and the inclusion of related services such as gaming zones, theatres or restaurants. Additionally, studies were done between mall shopping frequency and background variables, both demographic and those related to shopping motivations, which characterize shoppers at a mall on the basis of functional shopping motivation, deal proneness, recreational shopping motivation, age, income and family size (Roy, 1994).

This study of 'Correlates of Mall Visit Frequency' had used the clssification of shoppers where two broad categories namely functional economic and recreational shoppers were identified. This study found a very high degree of correlation between the visit frequency and

degree of recreational shopping motivation. This study used a Poisson-gamma model to explain grocery-shopping trips and also further highlights the managerial implications of such a study and the positioning aspect for a mall. Furthermore, the presence of discount stores and frequent mall promotions might increase visits by deal prone buyers. Strategic marketing results could also be based on these results (Woodside, 1973) e.g. special mall events and exhibits might cause recreational shoppers to visit malls frequently and increase the repeat rates.

However, researchers have also investigated the feasibility of loyalty of customers towards a mall (Lehew et al, 1994). The in-store loyalty programs were considered by mall owners a promising option for retaining customers. This research ascertained if a loyal mall group existed and also examined their assessment of mall characteristics to provide a better understanding of attributes that induced a loyal response. The survey instrument included both behavioral and attitudinal measures of customer loyalty.

The behavioral loyalty measured each respondent's percentage of product category purchases made annually in the mall. There were 28 shopping mall attributes which represented seven distinct categories. There had been tremendous amount of research work carried out pertaining to retail stores and formulation of the retail Store Image measurement scale. (Dickson & Albaum, 1977).

Moreover, there were other researchers who claimed the dependency of mall loyalty on underlying dimensions like mall environment and value assortment (Nevin & Houston, 1980). They found that while value assortment had a significant and positive impact on mall loyalty, the mall environment did not have much influence. Another significant finding was that the perceptions of the mall were different amongst the loyal and non-loyal shoppers. Hence, mall customers can be divided into loyal and non-loyal groups.

However, a drawback of the above research is the low percentage of variance explained by the regression model, as well as only one mall attribute i.e. competitive prices receiving a positive perception by loyal mall shoppers. This does not present a strong case for the importance of mall attributes in the loyal customer's mind and hence there is further scope to study the essential ingredients encouraging loyalty to a specific mall. Furthermore, researchers had also investigated into mall shopping as a relative choice phenomenon where a consumer chooses to shop at malls over other outlets dependent on the choice given and the patronage is

contingent upon the choice alternatives. The shoppers undergo important changes in their lifestyle, spending habits, shopping tendencies and strategies (Stoltman et al, 1991).

In addition, those who have certain shopping orientations may prefer to shop at malls, as in case of the browser. The mall shopping could also reflect more economical or functional shopping orientations because they provide a convenient way to compare shops across a variety of goods and a way to complete several purchases in one trip. The study involved a stepwise regression on 3 criterion variables: recency, frequency and intention that were carried out and compared across three malls. This study highlighted that emphasis must be laid on the correct ways of data collection and more factors for mall choice must be explored prior to collecting data about it amongst the respondents.

Analysis And Interpretation

A total of 150 questionnaires were proposed to be filled by the authors personally going to the malls and collecting the data from people visiting these malls. The authors also narrated the questionnaires to certain respondents who were not conversant with some particular words in English language. Thecollection of data was done in three months time.

A total of 129 questionnaires were used in the analysis of the data because 21 questionnaires were declared incomplete. The sampling technique was stratified sampling according to age followed by quota sampling on the basis of malls and gender.
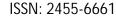
The age groups constituted of teenagers (15-20 years),early earners (21-25 years),recently settled / having children (26-35 years),with family (having grown up children) (36-50 years) and retired / staying without children (50+ years). Out of 129 respondents, 52.71 per cent were males and 47.29 per cent were females.

The representation of shoppers from Iscon mall were 37.21 percent, Himalaya mall were 37.98 percent and 10 Acres mall were 24.81 percent. A significant proportion (46.93%) of the respondents from mall was from an income bracket of Rs. 3000 and more.

It had majority of the people in the income bracket of Rs. 20,000-Rs. 30,000 and more, while shoppers at 10 Acres were from lesser income brackets with 50% of respondents falling in the income bracket of Rs. 10000-20000.

The most preferred company to visit malls was with friends followed by the family as a whole. The members of the family also have a significant share when taken together. A few of

them enjoy coming to the malls alone as well. Cross tabulations of age with the company in which malls are visited are significant.

Teenagers and youngsters mostly visit malls with their friends (86.2%) while people in the age group of 36 – 50 years do so with their family (46.2%). The older people above 50 years of age usually come to malls with their family basically children (39%). Out of the total of 129 shoppers, 89% bought amongst some category or the other while the remaining 11% did not buy anything.

The extraction method used in factor analysis was "Principal Components Analysis". Coefficient matrix, unrotated component matrix and rotated component matrix were obtained. "Varimax with Kaiser Normalization method" was used for orthogonal rotation. This was done so that the attitude statements are clearly allotted to the factors and there is no ambiguity in their belonging to factors.

Further, "Scree plot" displaying the amount of variance displayed by the factors was also obtained followed by component score coefficient matrix. The Kaiser Meyer Olkin (KMO) measure of sampling adequacy is 0.703, which implies that the data is adequate enough to carry out factor analysis.

The output lays out 11 factors that are capable of explaining 67.528% of variation in the data set. However, a factor analysis run on specifying six factors better explains the distribution of attitude statements amongst the factors. These six factors are capable of explaining 48.520% of variation in the data set. The attitudes belonging to each actor are derived from the rotated component matrix. As shown in the factors were derived by observing items which comprised of each of them.

The first factor that labeled "locality & convenience" contains six attributes related to the visit near residence, visit near workplace, visit near workplace/home, visiting stores under one roof, visit mainly for shopping and being a one stop shop.

The second factor includes three attributes named good place to spend time, good outing and relaxed feeling, therefore it is labeled "relaxed shopping".

The third factor is labeled "prestige shopping" and includes attributes referring to dressing up, expensive and sophisticated buying process.

The fourth factor is "Product Knowledge" consists of knowledge gain and type of the store identified.

The fifth factor includes "Any day visit" which is reflected by attributes related to weekday and weekend visit.

Finally the last and the sixth factor "price parity" comprises of two attributes related to price of housed products and price of branded products.

The semantic differential scale used for this study is modified from the retail store image measurement scale by Dickson and Albaum (1977). The attribute statements have been suitably modified from the original scale for this study of malls. The factor analysis of these attributes statements in the semantic differential scale leads to a set of broad mall choice drivers. The extraction method used in factor analysis was "Principal Components Analysis". Coefficient matrix, unrotated component matrix and rotated component matrix were obtained. "Varimax with Kaiser Normalisation method" was used for orthogonal rotation. This was done so that the attributes are clearly allotted to the factors and there is no ambiguity in their belonging to factors.

Conclusion

The ultimate objective of any shopping mall: „image building", resting on a specific set of attributes. These days' malls are primarily focusing on the dimension „Entertainment" along with focus on other dimensions. The objectives contributing to image building include creation of brand equity, sales increase, new product acceptance, positioning, competitive retaliation/ creation of a corporate image. All historical trends for different segmentations & their standard of living may be helpful in developing customer retention strategy. For mall shopping, the retail marketing mix has been classified into: (1) Shopping Enjoyment Motivator(s) and (2) Shopping Mall Loyalty Enhancers. Based on the classification, shopping mall categorization has also been proposed. For mall shopping, the Shopping Enjoyment Motivator(s) identified is Entertainment whereas the Shopping Mall Loyalty Enhancers identified are Specialty, Value, One Stop Shop and Convenience. The attributes play a major role in building a specific mall image, thus, facilitating prospects in choosing a mall. The mall managers and retailers might focus on the said attributes to propose appropriate customer loyalty strategies for mall promotion and mall positioning. These strategies could be devised at various stages viz. shopping mall level and retailer level.