

**PERCEPTION OF CUSTOMERS TOWARDS FACTORS INFLUENCING FOR
BUYING DIFFERENT ITEMS FROM SHOPPING MALLS AND TRADITIONAL
RETAILS SHOP**

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Abstract

India has one of the largest numbers of retail outlets in the world. Of the 12 million retail outlets present in the country, nearly 5 million sell food and related products. Though the market has been dominated by unorganized players, the entry of domestic and international organised Players is set to change the scenario. Objectives of the study, To analyse the Perception of customers towards factors influencing for buying different items from shopping malls and traditional retail shop. Methodology of the study, The sample size of 1460 respondents was finalized in this study, which is considered as an acceptable size, nevertheless, it is felt that for a consumer research like this, using a larger sample size will be preferable and more representative of the whole population of retail customers in this area or elsewhere. Findings of the study, The next factor with maximum variance of 5.001 percent of total variance with Eigen value of 1.006 is named as larger options while shopping. One variable has high factor loading on this factor is V21: Larger inventories of groceries than small grocery shop with a factor loading of 0.911. It implies that customers of shopping malls expect that while shopping there should be large options. Suggestions of the study, Due to maintenance of good quality of their goods, the consumers are attracted by Organised and traditional retail shops. Conclusion of the study, The rise of organized retailing has transformed the way Indian consumer spend and has brought a great buoyant change in the quality of life of the people in the metros and non metro cities of India.

Keywords: Wide range, Excellent service, sales promotion, etc.,

I.1. INTRODUCTION

People becoming more fashion conscious. The retail markets bring the latest in fashion accessories and kids wear for customer of all age groups. The Indian market become more competitive as the small retailer groups will start using quality measures like Retail Service Quality Scales (RSQS) for their performance improvement and will develop new standers suitable to Indian context. Retail showrooms will start offering multi channel online retailing facility. The Indian society shift to purchase product and services online in recent days. The online shopping destinations like eBay, Amazon comparison shopping portals like froogle and shopping.com will be popular in Indian community. The customer will be saving lot of time and have a better comparison of product in the neighborhood retail showrooms.

Modernization of the Indian retail sector will be reflected in rapid growth in sale of supermarket, hypermarket, departmental stores and top of all is Malls. So, the organized retailers are trying innovative models and formats to woo the consumers. Consumers are seeking variety, convenience and quality while shopping, be it for grocery, clothes, food, music or even books. Organized retailing which emerged post-liberalization, has made a great impact on the minds of the consumers. To match the consumer needs and demands, the retailers have to come out with various store or retail outlet formats such as convenience store, chain store, franchise, departmental store, specialty store, supermarket, shopping centre, hypermarket, discount store, factory outlet, kiosk and shopping malls.

India has one of the largest numbers of retail outlets in the world. Of the 12 million retail outlets present in the country, nearly 5 million sell food and related products. Thought the market has been dominated by unorganized players, the entry of domestic and international organised Players is set to change the scenario. Retailing is a set of business activities that adds value to the producers and services sold to consumers for their personal or family use. Retailing is becoming a buzzword in the current market scenario. In fact, today retailing is evolving into a global, high-tech business. Retailers attempt to satisfy consumers by selling right product, service, and merchandise mix at right price, at the right place when consumer wants it. Indian

consumers are rapidly evolving and accepting modern formats overwhelmingly. Retail space is no more a constraint for growth.

India is on the radar of Global retailers and suppliers brands world-wide are willing to partner with retailers here. Further, with large Indian corporate groups like the Piramals, the Tatas, the Rahejas, ITC, RPG Enterprises, Pantaloons race to revolutionize the retailing sector. Also foreign investor and private equity players are firming up plans to identify investment opportunities in the Indian retail sector. Earlier the retail market was emerged as local baniya and his neighbourhood 'Kirana shop'. These were the common local mummy-daddy or multipurpose utility and were built with the vision of providing convenience at the doorstep of the consumers.

1.2. STATEMENT OF THE PROBLEM

Indian organised and traditional retails shop is more vibrant than ever, with major industry players vying for their share in the retail segment. The size and share of Indian retail market is expected to increase in the coming years, given the strong macro-economic performance, favourable consumption pattern due to growing personal disposable income, rapid development of Tier II and III cities, availability of quality retail space and recent entry of big industrial houses into retailing with focus on large store formats. Having studied the appropriate literature and preliminary data gathered, the researcher thought it would be best to conduct an general and convincing research to understand the effect of business practices adopted by organised and traditional retails shops on buying behaviour of consumers. With this intention the researcher anticipated to undertake a research titled: **'PERCEPTION OF CUSTOMERS TOWARDS FACTORS INFLUENCING FOR BUYING DIFFERENT ITEMS FROM SHOPPING MALLS AND TRADITIONAL RETAILS SHOP'**

1.3. OBJECTIVES OF THE STUDY

To analyse the Perception of customers towards factors influencing for buying different items from shopping malls and traditional retails shop.

I.4. METHODOLOGY OF THE STUDY

This research study has both theoretical and practical significance for the present retailers as well as for the academicians and research scholars. The sampling procedure is non probability convenience sampling and thus it inherently brings all the limitations of it. The sample size of 1460 respondents was finalized in this study, which is considered as an acceptable size, nevertheless, it is felt that for a consumer research like this, using a larger sample size will be preferable and more representative of the whole population of retail customers in this area or elsewhere. The study is absolutely confined to the customer perception and preference towards organized and unorganized retailing and the factors affecting them. The collection of primary data is comparatively very difficult and sometimes the question of non-response arises because the people do not like to disclose the information. As no primary data collected through the sample survey is free from bias and inaccuracy in one respect or the other, the data collected and used in the study might not be free from certain errors due to limited knowledge of respondents. This research is confined to Tiruppur districts and the cover all taluks constituting this geographic region.

I.5. ANALYSIS AND INTERPRETRATION

DIMENSIONALITY OF THE MULTI-SCALE ITEMS (FACTOR ANALYSIS)

Factor Analysis is a set of technique which by analyzing correlations between variables reduces their numbers into fewer factors which explain much of the original data, more economically. Even though a subjective interpretation can result from a factor analysis output, the procedure often provides an insight into relevant psychographic variables, and results in economic use of data collection efforts. The subjective element of factor analysis is reduced by splitting the sample randomly into two and extracting factors separately from both parts. If similar factors result, the analysis is assumed as reliable or stable.

TABLE - 1
KMO AND BARTLETT'S TEST FOR FACTORS RELATED TO INFLUENCE IN
CHOOSING MALLS AND TRADITIONAL RETAIL SHOPS

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.787
Bartlett's Test of Sphericity: Approx. Chi-Square	7642.395
Sig	0.000**
S/NS	S

**p<0.01 S-Significant

From the above table, two tests, namely Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's Test of Sphericity have been applied to test whether the relationship among the variables has been significant or not. The Kaiser-Meyer-Olkin Measure of sampling adequacy shows that the value of test statistics is 0.681, which means the factor analysis for the selected variable is found to be appropriate or good to the data. Bartlett's test of sphericity is used to test whether the data are statistically significant or not with the value of test statistics and the associated significance level. It shows that there exists a high relationship among variables.

Table –2

**EIGEN VALUES AND PROPORTION OF TOTAL VARIANCE OF EACH
UNDERLYING FACTORS RELATED TO INFLUENCE IN CHOOSING MALLS AND
TRADITIONAL RETAIL SHOPS**

	Rotation Sums of Squared loadings			
	Cumulative %	Total	% of Variance	Cumulative %
1	24.411	4.831	23.008	23.008
2	37.076	2.535	12.077	35.086
3	45.99	1.875	8.931	44.018
4	51.738	1.568	7.469	51.488
5	57.043	1.122	5.348	56.837
6	61.839	1.049	5.001	61.839

Extraction Method: Principal Component Analysis

The results of the factor analysis presented in the table – 4.4.1.2 regarding factors related to influence in choosing CRM products, have revealed that there are nineteen factors that had Eigen value exceeding “one”. Among those four factors, the first factor accounted for 28.486 percent of the variance, the second 13.081 percent, the third factor 10.45 percent, and last factor 8.915 per cent of the variance in the data set. The first four factors are the final factors solution and they all together represent 60.93 percent of the total variance in the scale items measuring the factors related to influence in choosing CRM products. Hence from the above results, it is certain these are the factors that are related to level of satisfaction about various products³.

TABLE ---3

**COMMUNALITIES FOR FACTORS RELATED TO INFLUENCE IN CHOOSING
MALLS AND TRADITIONAL RETAIL SHOPS**

S.NO.	FACTORS	Initial	Extraction
1	One Stop Shopping	1.000	0.759
2	Shopping is Status symbol	1.000	0.356
3	Multiple brands under one roof	1.000	0.244
4	Cater to need of all income group	1.000	0.269
5	Excellent service by salesmen	1.000	0.415
6	Ample, free parking	1.000	0.485
7	Wide range of products	1.000	0.928
8	Sales promotions schemes	1.000	0.511
9	Whole family entertainment	1.000	0.853
10	Availability of all items	1.000	0.877
11	Longer opening hours	1.000	0.878
12	Superior quality of products	1.000	0.426
13	Honoring credit and debit cards	1.000	0.843
14	Many billing counters	1.000	0.580
15	Relaxation, pleasure, time pass	1.000	0.932
16	Trial rooms	1.000	0.669
17	Near to residence	1.000	0.481
18	Customer Loyally cards	1.000	0.520
19	Self pickup of products	1.000	0.633
20	Return Policy	1.000	0.456
21	Larger inventories of groceries	1.000	0.848

SOURCE: PRIMARY DATA

The above table (Communalities) represents the application of the Factor Extraction Process, it was performed by Principal Component Analysis to identify the number of factors to be extracted from the data and by specifying the most commonly used Varimax rotation method⁴. In the principal component analysis, total variance in the data is considered. The proportion of the variance is explained by the fourteen factors in each variable. The proportion of variance is explained by the common factors called communalities of the variance. Principal Component Analysis works on initial assumption that all the variance is common. Therefore, before extraction the communalities are all 1.000. Then the most common approach for determining the number of factors to retain⁵ i.e. examining Eigen values was done.

TABLE NO.4

ROTATED COMPONENT MATRIX FACTORS RELATED TO INFLUENCE IN CHOOSING MALLS AND TRADITIONAL RETAIL SHOPS

S.No.		1	2	3	4	5	6
1	Longer opening hours	0.932					
2	Availability of all items	0.924			0.107		
3	Honoring credit and debit cards	0.912					
4	Whole family entertainment	0.909			0.125		
5	One Stop Shopping	0.849	0.112		0.138		
6	Trial rooms	0.817					
7	Customer Loyally cards		0.716				
8	Near to residence		0.664			0.170	
9	Return Policy		0.657				0.130
10	Excellent service by salesmen		0.635				
11	Sales promotions schemes		0.515		0.200	0.404	0.178
12	Superior quality of products		0.477		0.310	0.309	
13	Wide range of products			0.963			

14	Relaxation, pleasure, time pass			0.963			
15	Many billing counters	0.101			0.733		0.166
16	Ample, free parking		0.102		0.614		0.306
17	Cater to need of all income group	0.110			0.469		0.160
18	Multiple brands under one roof	0.120	0.251		0.407		
19	Self pickup of products					0.792	
20	Shopping is Status symbol		0.366		0.191	0.424	
21	Larger inventories of groceries				0.113		0.911

The results of factor analysis expose the following parameters about perception of customers about Shopping Malls.

Parameter 1: Family Expediency and Entertainment while Buying: The factor with maximum variance of 23.008 percent of total variance with Eigen value of 5.127 is named as ‘**Family Expediency and Entertainment while Buying**’. Six variables has high factor loading on this factor. First one is V11: Longer Opening Hours with highest factor loading of 0.932. This implies that consumers expect that the shopping mall should be opened even at night 10 00 o'clock and those who are busy during the day because of one or another work can go to shopping malls at night and can buy. The second highest factor loading under this factor is V10: Availability of all necessary goods under same roof or umbrella with a factor loading of 0.924. It means that consumers will prefer to go shopping malls only if whatever products they want to buy from the shopping malls is available. The variable with third highest factor loading is V13: Honoring credit/debit cards with a factor loading of 0.912. It means that customers will prefer to buy from shopping malls only if facility of honoring Debit Card or credit card is provided by shopping malls. The fourth highest factor loading under this factor is V9: Whole Family Entertainment along with shopping and opportunity to meet friends with a factor loading of 0.909. It means that consumers feel that going to shopping malls is entertainment to all family members while shopping and opportunity to meet friends. The variable with sixth highest factor loading is V16: Trial Rooms with a factor loading of 0.814. It means that shopping malls can attract the customers only if there is facility of trial rooms for those customers who want to buy readymade garments.

Parameter 2: Value for Money for Customers': The next factor with maximum variance of 12.078 percent of total variance with Eigen value of 2.660 is named as '**Value for Money for Customers'**'. Five variables has high factor loading on this factor. First one is V18: Customers Loyalty card or Loyalty programmes with highest factor loading of 0.716. This implies that consumers expect that the shopping mall should offer customer loyalty cards to the customers that can attract more customers to visit the shopping malls to buy their required products. The second highest factor loading under this factor is V17: Near to Residence or Office with a factor loading of 0.664. The consumers feel that the shopping mall should be near to residence or office. The variable with third highest factor loading is V20: Good Return Policy with a factor loading of 0.657. It means that customers prefer that shopping malls which have good return policy. If customers buy any product from the shopping malls and not satisfied, shopping mall should take it back if customer wants. The variable with fourth highest loading is V5: Excellent customer services provided by professionally qualified and knowledgeable sales persons with a factor loading of 0.635. Customers expects that the salesman in shopping malls should be professionally qualified and knowledgeable who can provide excellent customer services to customers that satisfy in best way. The variable with fifth highest loading is V8: Sales Promotion Schemes like special offers discounts on bulk buying with a factor loading of 0.515. It means that Customers expecting that the shopping malls should offer various sales promotion schemes to attract customers.

Parameter 3: Pleasure while shopping: The next factor with maximum variance of 8.931 percent of total variance with Eigen value of 1.871 is named as **Pleasure while shopping**. Two variables has high factor loading on this factor. First one is V7: Wide Range of Products with a factor loading of 0.963. It implies that customers of shopping mall expecting that shopping malls should provide wide range of products. Second one is V15: Relaxation & pleasure, Time pass, leisure, spending time with a factor loading of 0.963. It implies that Shopping malls are for the purpose for relaxation and pleasure and place for time passing for the customers while shopping.

Parameter 4 Hassel Free Shopping The next factor with maximum variance of 7.469 percent of total variance with Eigen value of 1.206 is named as **Hassel Free Shopping**. Two variables has high factor loading on this factor. First one is V14: More than one counter for billing or

checkout with a factor loading of 0.733. It implies that customers of shopping malls expecting that shopping malls should provide more than one billing counter while shopping so that the shopping may become hassle free. Second one is V6: Ample, Convenient and free parking facilities for vehicles with a factor loading of 0.614. It implies that while going to shopping malls there should be Ample, Convenient and free parking facilities for vehicles.

Parameter 5 Self service while buying The next factor with maximum variance of 5.348 percent of total variance with Eigen value of 1.113 is named as **Self service while buying**. One variable has high factor loading on this factor is V19: Self Pick up of products with a factor loading of 0.792. It implies that customers of shopping malls expecting that buying should be totally different. There should be facility of self pick up of products.

Parameter 6 Larger options while shopping: The next factor with maximum variance of 5.001 percent of total variance with Eigen value of 1.006 is named as **larger options while shopping**. One variable has high factor loading on this factor is V21: Larger inventories of groceries than small grocery shop with a factor loading of 0.911. It implies that customers of shopping malls expecting that while shopping there should be large options.

1.6.SUGGESTIONS OF THE STUDY

1. Various challenges faced by organized retailing in India are;

a) Lack of adequate infrastructure, b) Dominance of unorganized sector, c) Lack of uniform tax, d) Low operational size of retail outlets, e) Government restriction on FDI and f) Labour employment problems. All the grievances should be redressed by the government for healthy growth of organised and traditional retails shop.

2. The organised and traditional retails shops can consider supplying handbills along with the daily newspapers regarding the latest offers. The consumers can also be provided with privilege cards like smart cards etc, and may be informed regularly about the offers through telephone. A suggestion box can also be helpful. This can act as a brand building exercise. This will surely increase the store's popularity in the long run.

3. In order to satisfy the consumer needs, the organised and traditional retails shops must have a thorough understanding of how consumer makes store choice and purchase decision. Perceptual mapping of the consumers provide some valuable insights into the process and therefore is useful for the store management decision making. It is important to realize the purchase of products which involves motivational, social, psychological and economic factors. Retail consumers need to understand on a variety of levels.
4. Consumers seek to reduce the risk of their purchase. Organised and traditional retails shops need to provide information, guarantees and after sales services to reduce the perception of risk. Consumers will go shopping for a variety of reasons. The complexity of the shopping trip per se should clear the staff.
5. Due to maintenance of good quality of their goods, the consumers are attracted by Organised and traditional retails shops

I.7. CONCLUSION

It is proven fact that Indian retail sector is witnessing a boom and this is an outcome of many factors is. A few of them include the rising affluent middle class society changing consumption patterns, rise in the number of dual income, the emergence of nuclear families and many more. The rise of organized retailing has transformed the way Indian consumer spend and has brought a great buoyant changes in the quality of life of the people in the metros and non metro cities of India. Organised and traditional retails shop are using all the available Media like print and visual, to their utmost extent and are able to penetrate a variety of consumer goods, electronic items, FMCG products deep inside the villages and other interior parts of India. It has been found that the gap between the living standards of the consumers of metros and the non-metros cities is narrowing down day by day.

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