

# “Mall Culture- Shift in Retail Sector”

Neeti Hooda

Research Scholar, Department of commerce, MDU, Rohtak

## Abstract:

*As consumer is the king of market, providing value to them has become challenge for retailers. Consumers now have a better choice of merchandise available. They have access to large amount of information so as to arrive their purchase decision. Therefore competition for customers has been fierce. Customers want ‘value’ not only in terms of price, ambience, and quality, information but also in selection, convenience, service and entertainment. The profitability of the retailer is based on judicious use of its resources such as inventory, space and people. People are the major source of retailer and therefore are ambassadors of the store. The role of manufacturers are generally confined to concentrating on the market share but the retailers play a major role that is providing value to customers. Mall culture in India has grown with an incredible pace. Just a few years back, people had to make a choice among shopping, movies, or hanging out on a holiday but now consumers want a better shopping experience and this demand gave rise to the emergence of shopping malls in India.*

*This paper gives the detailed overview regarding the emergence of retail sector in India. An attempt has been made to study the awareness of Indian consumers regarding mall culture and how it emerged in Indian market and why people thought of investing in malls rather than in the basic market.*

**Key Words:** Retail, competition, Malls, Supermarkets, information, value

## I. INTRODUCTION

### A. Retail Sector Overview

The Retail Industry is the sector of economy consisting of Individuals, stores, commercial complexes, agencies, companies and organisations that are directly involved in selling the final products to the ultimate consumers. There are various challenges that Indian retailing has to face such as real estate issues, capital availability, legal framework, human resources, and supply chain development and management. Bottlenecks in the supply chain result in limited assortments and increased the cost of sourcing. The high cost of real estate owing to constrained supply is also a major factor inhibiting the growth of large stores. New rules are required to enable retail stores to operate every day with longer hours and utilization of part time employees, without incurring any extra cost. At present, varying sales tax and octroi tax rates in

different states remain a substantial hindrance to the growth of retail sector.

Despite of all these challenges, Indian retail has bright prospects, propelled by the fast life style changes taking place in the Indian household. Over the nineties, middle and high income population has grown at a rapid pace of over 10 percent per annum, even as the large low income base has shrunk. The changing identifies of Indian women and the structure of family is driving the demand for convenience. Customers are demanding better store ambience and thus are looking for solution providers and external guarantors of quality and usability. The Indian consumer is increasingly focussing on value, convenience, variety and better shopping experience. The increase in quality, variety, and availability of products as well as an increase in spending power has resulted in consumers increasingly using super markets and hyper markets for their personal shopping. Malls that offer shopping with entertainment are springing up in many parts of the country.

Presently, India allows 100 percent foreign direct investment (FDI) in companies carrying out wholesale trade but prohibits the same in retail. However there is a buzz that the Indian government is considering liberalizing its rules on FDI in multi-brand retail. A number of international retailers have, therefore, chosen to come in with cash and carry stores- the significant players being – Wal-Mart, Tesco and Metro. The Indian retail industry is now beginning to evolve in line with the transformation that has swept other large economies. It witnesses tremendous growth with the changing demographics and an improvement in quality of life of urban people. The growing affluence of India’s consuming class, the emergence of new breed of entrepreneurs and a flood of imported products in the food and grocery space, has driven the current retail boom in domestic sector. The retail sector of India contributes about 22 percent to national GDP and employs a massive workforce of it after agriculture sector.

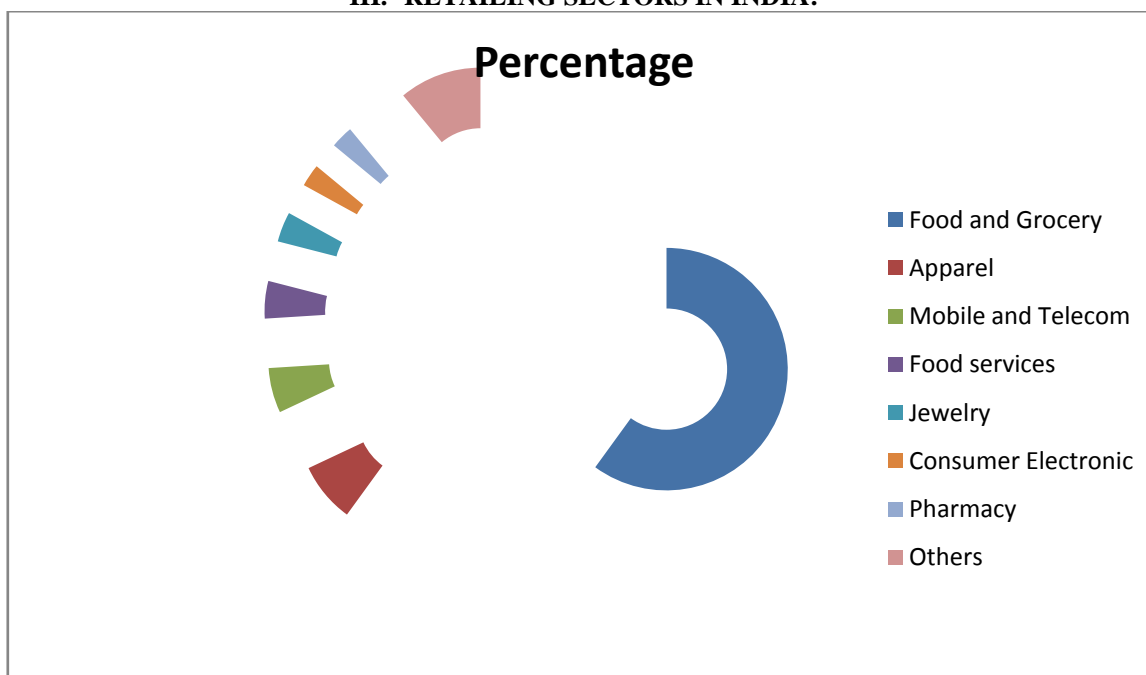
## II. EVOLUTION OF INDIAN RETAIL INDUSTRY

- Barter system was known as the first form of Retail.
- Followed by Kiriana stores and Mom and Pop stores.
- Finally manufacturing era necessitated the small stores and especially the stores.
- It was seller’s market till this point of time with limited number of brands available.

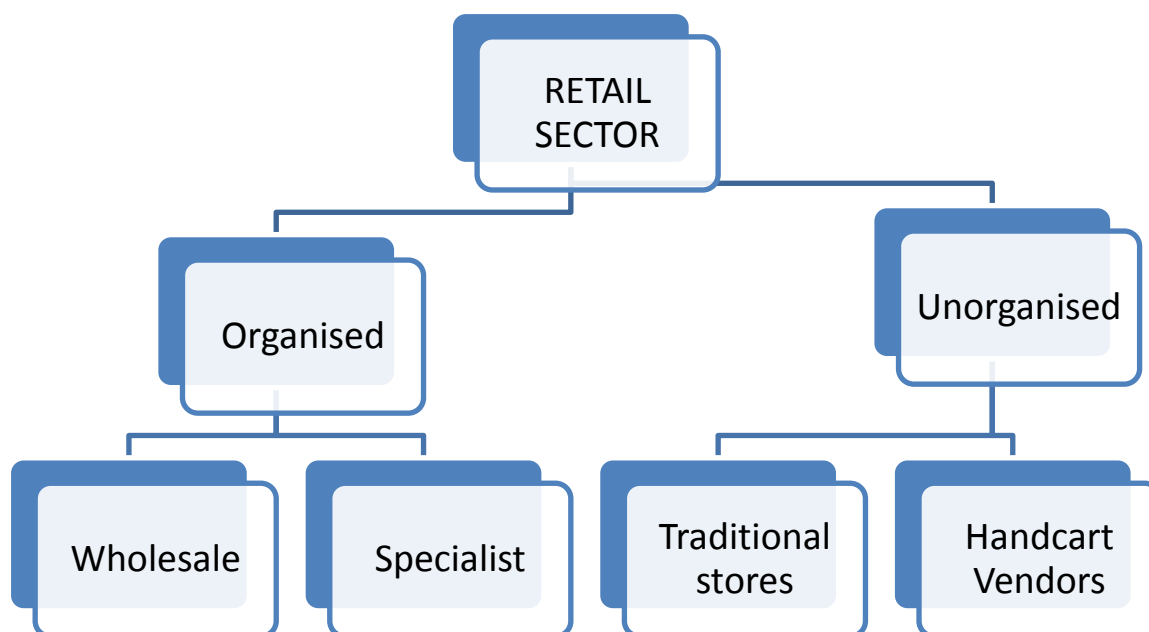
- 1980s experienced slow changes as India began to open up economy.
- The latter half of the 1990s saw a fresh wave of entrants with a shift from Manufacturer to Pure Retailers.
- Post 1995 onwards saw an emergence of shopping centres.
- Emergence of hyper and super markets trying to provide customers 3 vs.:
  - Value, Variety and Volume



### III. RETAILING SECTORS IN INDIA:



#### IV. FORMS OF RETAIL SECTOR



#### V. MALL CULTURE: BOOM IN RETAIL SECTOR

Indians seem to love the convenience of it all. In 2001, there were three shopping malls in India but by 2007 the figure is expected to grow to 343. As the awareness and share of organised retail grows, developers are rushing to keep up their demand. A mall's strategy depends on its catchment area and the demographics it serves. B.S. Nagesh CEO of Shopper's stop said that "today customers take air-conditioning and parking facilities as basic. Value for money has changed to value for time. This makes quality of service on time very important". According to KPMG study, retail sales of consumer goods in India are expected to rise from Rs 15, 02,900crores in 2004 to Rs 27, 70,400crores by 2009. Organised retail is still at a nascent stage in India but there are some pointers to major growth areas. It is estimated that in 2003, the Indian consumer spent 41 percent of his disposable income on groceries. That is why it becomes very important to understand the shifting trends of consumers towards shopping. Getting people to mall once is easy but getting them to return and spend money depends on mall promoter's ability to produce a good mix of shoppertainment. Mumbai is considered a destination mall because it has a hyper market which includes many international and indigenous retail brands apart from a multiplex and a popular food court. Events, promotions, competitions are becoming an integral part of the mall experience and festivals like Dusserha, Diwali and Christmas are celebrated with great pomp and show. In order to attract customers malls regularly organise events such as D J wars, product launches, concerts and beauty competitions.

For example: Garuda mall in Bangalore has launched a 90-day festival and the bumper prize is a Mercedes Benz.

#### VI. OBJECTIVES OF THE STUDY:

- A detailed analysis of consumer perspective towards entertainment in malls.
- To know the modes of entertainment preferred by consumers.
- To know the features and facilities which individual malls are offering for entertainment to consumers.

#### VII. RESEARCH METHODOLOGY

Research Type: Descriptive Research

Sampling Techniques: Stratified Sampling

Sample Size: 30

Data Collection: Data is collected through primary as well as secondary sources. Primary data is Secondary data is collected from various references as mentioned below.

#### VIII. FACTS AND FINDINGS

According to my survey, the results were as:

- ✓ About 86% consumers visit malls.
- ✓ Most of the consumers visit malls with their family members.
- ✓ About 27% of the consumers visit occasionally and rest of them visit during public holidays, weekends.
- ✓ 50% of the consumers spent less than 4 hours in a mall.

- ✓ Leisure got the highest percentage of share for the reason that why most of the consumers preferred to visit malls.
- ✓ About 43% of the consumers stick to a particular brand.
- ✓ Almost 60% of the consumers think that malls make them spend more.

#### **IX. CONCLUSION**

From the above analysis, it can be said that consumer's preferences for unorganized retail market is now shifting towards shopping in newly developed malls. In fact, malls have changed the lifestyle of every shopper. As consumer demographics becoming more and more favourable to the organised segment of retail industry and the increasing availability of retail space convinced the consumers to go to the shopping malls. The infrastructure and supply chain mechanisms of malls are getting organised and spreading across the state. This brought about a revolution in consumer behaviour towards shopping mall.

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