SITUATIONAL FACTORS AND CHANGES ON SHOPPERS' PURCHASING OUTCOMES IN BANGALORE SHOPPING MALLS

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Abstract:

The economic condition would have to stabilize before there is an improvement in consumer spending and further development of the retail sector is most important success way for the retails industry. Analyzing and understanding shoppers' behaviour and the impacts of situational factors may reduce uncertainty in decision-making. Situational factors should be taken into consideration in designing promotional programs, store layout, merchandising and store atmosphere tailored to specific behaviour's patterns and consumer situations. The aim of this research is to study on the impact of situational factors on shoppers' purchasing outcomes in the selected shopping malls, Bangalore. This study ascertains the influence of socio, physical and temporal factors, to analyse the impact of task definition and antecedent states, to find the impact of the Pricing perception and shopper's mood and to analyse the common problems faced by the mall users.

Keywords: Situational factors, Shopping Malls, Shopping Outcome, Consumer Behaviour

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INTRODUCTION

India is one of the largest emerging markets, with a population of over one billion. It is one of the largest economies in the world in terms of purchasing power. Retailing in India is at a nascent stage of its evolution, but within a small period of time certain trends are clearly emerging which are in line with the global experiences. Organized retailing has become more popular in big cities in India and most of the metropolitan cities and other big cities are flooded by modern organized retail stores. Many semi rural areas have also witnessed entry of such organized retail outlets. India's retail sector is estimated to touch US$ 833 billion by 2013 and US$ 1.3 trillion by 2018, with a compound annual growth rate (CAGR) of 10%, which is quite lucrative. Retailing as a whole contributes almost 10% of India's GDP, and employs almost 8% of India's employable population. The organized sector accounts for a mere 5 per cent indicating a huge potential market opportunity that is lying in the waiting for the consumer-savvy organized retailer. Purchasing power of Indian urban consumer is growing and branded merchandise in categories like Apparels, Cosmetics, Shoes, Watches, Beverages, Food and even Jewellery are slowly becoming lifestyle products that are widely accepted by the urban Indian consumer. Organized retailing is witnessing a wave of players entering the industry. These players are experimenting with various retail formats. A number of large corporate houses like Aditya , Bharti, Reliance, Pantaloon, Vishal, Tata's, RPG, Raheja's and Piramals's have already made their foray into this arena, with beauty and health stores, supermarkets, self-service music stores, new age book stores, everyday low price stores, computers and peripherals stores, office equipment stores and home/building construction stores. Today organized players have attacked every retail category. The present study mainly focuses on the impact of situational factors on shoppers' purchasing outcomes in the selected shopping malls, Bangalore.

RETAIL IN BANGALORE: AN OVERVIEW

As retail markets become increasingly competitive, retailers are continuously looking to differentiate their retail offering. One way they can differentiate is by providing a shopping environment that is customized to meet customers' needs, not only in terms of merchandise, convenience and pricing but also in providing a pleasant and, possibly, exciting shopping

atmosphere. Consumer purchasing decisions are frequently made at the point of purchase and may be heavily influenced by what takes place there. A great many factors contribute to purchase decision, including consumer characteristics, brand features and situational factors. By identifying those factors, retailers may improve store layout and design, merchandising, atmosphere and staffing decisions significantly.

Retail in Bangalore has witnessed a lull in activity over the past year and a half primarily due to the after effects of the economic downturn. The market dynamics have changed and therefore, contrary to the period prior to the slump, developers are lending an ear to the retailers. Over the past year there has been a steady increase in the entry of foreign brands into the city, most of which has been either in the apparel category like Daniel Hector or Food & Beverage category like Taco Bell and Chilies.

Bengaluru's retail market in terms of its consumer profile and vibrancy reflects the cosmopolitan nature of the city. The mix of contemporary brands and the upwardly mobile young shoppers is an example of the coming of age of Indian consumers. Although mall developments in the city started later when compared to Mumbai and Delhi, the pace of growth registered in terms of supply during the last few years is quite aggressive.

The first high end luxury mall of Bengaluru, The Collection at UB City, became fully operational last year. Amongst highstreets in the city, Brigade Road, MG Road, Commercial Street, Vittal Mallya Road and Indira Nagar are the most established ones. Over the last 2-3 years, high streets in the city have ramped up their retail offerings, both in terms of density and the variety, by enhancing their mix of both national and international brands.

During the past two years there has been a limited increase in organised retail stock due to unfavorable market conditions. Most retail projects which were slated for operation this year are still in their planning stage. Forum Mall in Koramangala and Garuda Mall on Magrath Road continue to be the most successful malls in the city.

Most of the existing malls are concentrated towards southern locations in the city because of the presence of a strong residential catchment. The past year saw the entry of one mall in the city, namely the Arch Mall. Among other organised stores, Bengaluru Central, developed by the Mantri Group, had begun operating in J. P Nagar last year. So far this year has seen the launch of Mantri Square at Malleshwaram, the largest mall in the country. For convenient understanding, the city's retail market is divided into five zones namely CBD, North Zone, South Zone, East Zone and West Zone.

Central Business District - 16%

Bangalore North - 3%

Bangalore East - 21%

Bangalore West - 24%

Bangalore South - 36%

The cosmopolitan culture prevalent in the city along with the need for instant gratification has influenced the buying pattern in malls. Unlike other Tier-II cities where the consumer looks for the best deal, purchase decisions in Bengaluru are highly influenced by convenience. People in the city do not mind paying a little more for the same product if they can get it conveniently and quickly. This is fairly reflected in apparel stores and hypermarkets. Multiplexes are also vital in increasing foot-falls in malls in the city. A case in point is the Sigma Mall on Cunnigham Road which was performing poorly before Fun Cinemas started operations. The average mall occupancy in prime micro-markets across the city reflects a healthy scenario.

The organised retail market in Bengaluru is poised to grow at a faster rate as retail markets in the city stabilize and retail projects which were stalled and delayed, restart. The primary reason for the same has been the onset of the economic down turn in 2008 which curbed retail spending as most people in the city were keeping their expenses to a minimum. Currently with the markets stabilizing, consumer spending has increased and if sustainable, is likely to provide a major boost to malls in the city. The demand for retail in Bengaluru was always strong and predominantly led by the consumers from the IT/ITES sector. Post the economic downturn the poor market conditions had a negative impact on the retail sector. A considerable number of mall projects which were launched between 2006 and 2008 were stalled. Currently due to the stabilization of

retail markets the inherent retail demand is expected to be revived and would contribute significantly to the success of upcoming mall space. A majority of the residents in the city fall under the middle income category and most of the retail consumers believe in convenience shopping. The development of infrastructure initiatives like the Bangalore metro railway system is expected to fuel retail development in the city. The recently developed Elevated Highway on Hosur Road has increased connectivity of people living in Electronic City, which is on the outskirts, with Koramangala, a developed micro-market. This is set to benefit organised retail in Koramangala like the Forum Mall. The development of the Bangalore Airport in Devanahalli, North Bengaluru and the subsequent development of road network in the zone has provided better connectivity to locations in the north like Yelahanka, Hebbal, Doddabellapur and it's just a matter of time till a good residential catchment develops in this zone. This is expected to contribute to the development of retail in this zone in the future.

The future for retail is expected to improve in Bengaluru. Most developers and retailers in the market will keep tabs on the performance of this mall in the near future as an indicator to retail development in the city. More importantly for the success of organised retail market in the city, the economic condition would have to stabilize before there is an improvement in consumer spending and further development of the retail sector. Analyzing and understanding shoppers' behaviour and the impacts of situational factors may reduce uncertainty in decision-making. Situational factors should be taken into consideration in designing promotional programs, store layout, merchandising and store atmosphere tailored to specific behaviour's patterns and consumer situations. The aim of this research is to study on the impact of situational factors on shoppers' purchasing outcomes in the selected shopping malls, Bangalore. This study ascertains the influence of socio, physical and temporal factors, to analyse the impact of task definition and antecedent states, to find the impact of the Pricing perception and shopper's mood and to analyse the common problems faced by the mall users.

REVIEW OF LITERATURE:

Morrison *et al.,* **(2011)**[1] in their study pinpointed that Retail markets are increasingly competitive and retailers continuously look to differentiate their retail offering. One way to

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[1] Michael Morrison, Sarah Gan, Chris Dubelaar, Harmen Oppewal (2011). "In-store music and aroma influences on shopper behavior and satisfaction", Journal of Business Research Vol. 64 PP.558–564.

differentiate is by providing a pleasant and exciting shopping ambience. This paper experimentally tests the effects of music (volume high or low) and aroma (vanilla scent present/absent) on young fashion shoppers in a real retail setting. Results show that volume of music and the presence of a vanilla aroma both have a significant impact on shoppers' emotions and satisfaction levels. Additional analysis reveals that the arousal induced by music and aroma results in increased pleasure levels, which in turn positively influences shopper behaviors, including time and money spend, approach behavior, and satisfaction with the shopping experience. Direct effects of arousal on behaviors as well as an interaction effect between music and aroma on pleasure and time spent in the store are also present. The paper contributes to the better understanding of shoppers' emotions and shopper behaviours in response to in-store atmospherics and offers retailers practical insights into how to create competitive advantage by customizing the atmosphere in their stores.

Sathish and Raju D (2010)[2], in their study reveal that retailing in a layman's language involves the procurement of varied products in large quantities from various sources/producers and their sales in small lot for direct consumption to the purchaser. The retail sector in -India is witnessing a huge revamping exercise as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores. Western-style malls have begun appearing in metros and second-rung cities alike introducing the Indian consumer to a shopping experience like never before. The sector is at an inflexion point where the growth of organized retailing and growth in the consumption by the Indian population will take a higher growth trajectory. In addition, few other formats such as rural retailing, E-retailing, luxury retailing etc. too have found favours with the Indian retailers. In India, retail is the new buzzword. The need of the hour for Indian retailers is to develop systems and processes keeping the unique nature of the country in mind. In the retail trade, change is the only constant; survival in retail will depend on the ability to adapt to change.

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[2] Dhivya Sathish and Venkatrama Raju D (2010). "The Growth of Indian Retail Industry", Advances In Management, vol. **3 (7)** July.

Cai and Shannon (2010)[3], in their study examined a value-attitude- behavior and a value-attitude-intention-behavior hierarchical model were tested in Thailand and China, respectively, to understand how consumers' mall shopping behavior could be influenced by their personal values orientation in a non-Western context. The results revealed that while a value attitude- behavior model could be used to profile Thai shoppers, a value-attitude intention- behavior model worked better to portray Chinese shoppers. The findings imply that the mediating effect of shopping intention in these models may vary upon consumers' shopping motives.

Puccinelli *et al.,* (2009)[4], in their study highlights that retailers recognize that greater understanding of customers can enhance customer satisfaction and retail performance. This article seeks to enrich this understanding by providing an overview of existing consumer behavior literature and suggesting that specific elements of consumer behavior—goals, schema, information processing, memory, involvement, attitudes, affective processing, atmospherics, and consumer attributions and choices—play important roles during various stages of the consumer decision process. The authors suggest ways in which retailers can leverage this understanding of consumer behavior. Each of these conceptual areas also offers avenues for further research.

Kumar *et al.,* (2008)[5], in their article studied the phenomenon of cross-buying by consumers enables retailers to cross-sell their products and increase revenue contribution from existing customers. The effectiveness of cross-selling can be greatly improved by identifying the drivers of cross-buy and using them to target the right customers. In this study we identify exchange characteristics such as average inter purchase time, ratio of product returns, and focused buying, and product characteristics such as category of first purchase, as important drivers of cross-buy. The impact of marketing efforts of the firm on cross-buy is also identified. The results of the

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[3] Yuanfeng Cai, Randall Shannon (2010). "Personal Values and Mall Shopping Behavior: The Mediating Role of Attitudes of Chinese and Thai Consumers", ANZMAC.

[4] Nancy M. Puccinelli, Ronald C. Goodstein, Dhruv Grewal, Robert Price, Priya Raghubir, David Stewart (2009). "Customer Experience Management in Retailing: Understanding the Buying Process", Journal of Retailing Vol.85 PP.15–30.

[5] V. Kumar, Morris George, Joseph Pancras Richard and Susan Lenny (2008). "Cross-buying in retailing: Drivers and consequences", Journal of Retailing, Vol. 84 PP.15–27.

study have important implications for academicians in understanding what drives cross-buying as well as practitioners to help design more effective cross-selling strategies.

STATEMENT OF THE PROBLEM

The organized retail sector in India is still at a developmental stage, characterized by a very small number of players trying to create a new paradigm. To become a flourishing industry, the Indian retail sector has to attract leading Indian and foreign players to make substantial investments. The success of retail industry solely depends on how it performs in the market place at a given point of time. To entice the consumers, the retail industry must understand the behavior of the consumers. But understanding consumer behavior is complex, as it is related to psychology of consumers and also depends on various factors which have a direct bearing on consumer behavior. Retailers need to implement effective customer relation management and loyalty program. Efficient and effective Loyalty programs, home delivery of goods, customer retention strategies, offers, discounts etc are the order of the day.This, in turn, led the retailers to revisit their existing marketing strategies and introduce appropriate changes in them in order to get themselves succeed in the industry and flourish. Hence, it is worthwhile to study the situational factors on shoppers' purchasing outcomes in malls.

OBJECTIVES OF THE STUDY

1.   To study the impact of situational factors on shoppers' purchasing outcomes in the selected shopping mall in Bangalore.
2.   To analyse the common problems faced by the mall users.

SCOPE OF THE STUDY

The scope of the Indian retail market have been seen by many retail giants and thats the reason that many new players are entering the India retail industry. The major **Indian retailers** are:

- Pantaloons Retail India Ltd.
- Shoppers Stop
- Bata India Ltd.
- Music World Entertainment Ltd.

Judging the scope for growth in the India retail industry many global retail giants are also entering the Indian retail market. They are :

- Tesco

- Metro AG

- Wal- Mart

In this study the researcher had attempt to find the impact of situational factors on shoppers' purchasing outcomes in the selected shopping malls, Bangalore. The practical value of this study is that retailers may be better able to explain and predict the effects of situational factors and their changes on consumers' shopping behavior. Research results indicate that the managers should design the mall environment that would attract a lot of shopping parties, parents with children, and foster discussion among them.

RESEARCH METHODOLOGY

The study is descriptive in nature. Both primary and secondary data were collected systematically. Field survey method was employed to collect the primary data from 960 respondents in Bangalore City. For this purpose a well-structured questionnaire was used for collecting the data. The secondary data namely literature relating to the study were gathered from National and International journals, newspapers, magazines, articles, research reports, EBSCO, PROWESS, EMERALD, PROQUEST and various other records.

SAMPLE DESIGN

First hand information for the present research has been collected from 960 respondents, but only 620 respondents were filled all the questions without error. The remaining 340 respondents omitted many parts of the questionnaire. Hence the researcher finally selected only 620 respondents of this study. The respondents were selected by using stratified random sampling technique. The stratification covers the malls at Bangalore. The details of sample selection are represented in the following table:

TABLE 1

MALLS SELECTED FOR DATA COLLECTION

S.NO	NAME OF THE MALL	NO. OF RESPONDENTS
1.	The Forum	114
2.	Garuda Mall	178
3.	Bangalore Central	190
4.	Total Mall	138
	TOTAL	**620**

LIMITATIONS OF THE STUDY

1.   Resource and Time constraints led the researchers to select a limited sampling frame for the purpose of the current research.

2.   Although the study offers exciting results and some great managerial implication yet they are not suitable for generalizing to the whole of Bangalore.

3.   The study and the results of the study are confined to the city of Bangalore alone as the factors affecting the purchase behavior may vary according to the geographical area and socio-economic culture of the respective area.

ANALYSIS AND INTERPRETATION:

Multiple Regression Analysis

To assess the extent of satisfaction level of the customers on the perception towards their shopping outcome and to assess the factors that affect the various predictor variables (independent variables) of this study are explained by Multiple Regression analysis. Totally nine independent variables were identified for regression analysis. Multiple regressions is mainly based on equation wherein the predictor variables coefficients are found out. The general multiple Linear Regression equation is.

$$Y = a_1x_1 + a_2x_2 + \ldots\ldots\ldots\ldots + a_n x_n + K$$

Where Y is the dependent variable

k is constant.

a_1, a_2 ……. a_n are the regression coefficients for the independent variables x_1, x_2 ……. xn respectively.

The analysis starts with estimating the coefficients and the constant (a_0). Among the available methods of analysis of multiple regressions, one method used here is enter regression method. Initially the equation starts with no predictor variables; then, at first step, the variable with maximum correlation with the dependent variable is selected based on a selection criterion. Here, the variables whose F-value is 3.045 and the associated probability for F-test is less than or equal to 0.05 is considered for inclusion in the equation. Also once the variable is included in equation then it is again considered for removal from the equation to avoid multi co linearity problem.

Once the variable enters and remains in the equation, the next variable with highest positive/negative partial correlation is selected and considered for entry and, if satisfied it is then added to the equation. Now the variables so for included into the equation is checked for removal. This process continues until all the variables satisfying their inclusion and removal are fit in the equation.

Variables Selected for the Analysis are

1. Age
2. Gender
3. Marital Status
4. Educational Qualification
5. Occupation
6. Family Income
7. Number of Dependents
8. Frequency of Shopping
9. Wealth Position

The regression is a statistical relationship between two or more variables. When there are two or more independent variables, the analysis that describes such relationship is the multiple regressions. This analysis is adopted where there is one dependent variable that is presumed to be a functionary of two or more independent variables. In multiple regression, a linear composite of

explanatory variables is formed in such a way that it has the maximum correlation with an active criterion variable. The main objective of using this technique is to predict the variability of the dependent variable, based on its co-variance with all the independent variables. It is useful to predict the level of dependent phenomenon through Multiple Regression Analysis models, if the levels of independent variables were given.

The following table gives the results of stepwise regression analysis, giving details of multiple R, R^2 step inclusion of variables in the regression equation. However, for the problem under study, all the variables identified have been included in the equation.

TABLE NO. 2

REGRESSION ANALYSIS OF RESPONDENTS

Sl. No.	Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	34.336	8.854			
1	Age	-.058	.718	-.004	-0.080	NS
2	Gender	2.369	1.276	.075	1.857	NS
3	Marital Status	4.306	1.706	.138	2.524	5%
4	Level of Education	1.360	.736	.076	1.848	NS
5	Occupation	.240	.468	.021	0.513	NS
6	Income Per Month	.681	.643	.043	1.059	NS
7	Family Size	-.308	.612	-.020	-0.503	NS
8	Shopping Frequency	1.476	.651	.091	2.268	5%
9	Wealth Position	-.083	.836	-.004	-0.099	NS

NS: Not Significant

TABLE NO. 3

REGRESSION ANALYSIS RESULT

R Value	R Square Value	Degree of Freedom – V_1	Degree of Freedom – V_2	F-Value	Significance
0.207	0.043	9	611	3.045	1% Significance

The table gives the details of variables included in the equation and corresponding regression co-efficient. Simple correlation value of each predictor variable with the dependent variables and partial correlation of each variable with that of dependent variable is also presented. Partial correlation is another important statistics which tells us what is the correlation each predictor variable with that of the level of satisfaction perceived from shopping outcome (dependent variable) in the equation is concerned, when the effect of remaining other predictor variables are held constant.

In the same table the column marked 't' and significantly represent the values of T-Test statistic and what level it is significant respectively for each regression coefficient. The results of multiple regression analysis show that the variables such as Marital Status and Frequency of Shopping are significant at 5% level. On the other hand, the variables such as Age, Gender, Educational Qualification, Occupation, Family Income, Number of Dependents and Wealth Position are not significant at 5% level and at 1% level.

The R^2 value witnessed with 0.043, which indicates that the regression is well fit and the F value is 3.045 and it is significant at 1% level.

Using the regression coefficient, the regression equation evolved is as follows.

The equation is =   34.336

-0.080   Age

1.857   Gender

2.524   Marital Status

1.848	Level of Education
0.513	Occupation
1.059	Income Per Month
-0.503	Family Size
2.268	Shopping Frequency
-0.099	Wealth Position

The equation suggests that the factors such as gender, marital status, level of educational, occupation, income per month and shopping frequency are positively correlated and at the same time it is noted that the factors such as age, family size, and wealth position of the respondents are negatively correlated with the level of satisfaction towards the respondents shopping outcome.

SUGGESTIONS AND RECOMMENDATIONS

This study is done to ascertain the influence of economic, socio, physical and temporal factors, to analyse the impact of task definition, Pricing perception and shopper's mood on purchase in malls and finally to analyse the common problems faced by the mall users. It is understood that all the dimensions has significant influence towards shoppers' purchasing outcomes and the study reveals that the respondents who visit the malls frequently were not satisfied much due to monotony and it has been recommended that the mall management should concentrate on giving more fun related activities to attract the mall users. The social surroundings and shoppers frame of mind considered to be the determinants of good shopping enhancers and are the keys for achieving the satisfaction level among the respondents during their purchase outcome. The current study also revealed that young customers of the Bangalore city were found to have favourably inclined towards the mall than their older counterparts. Mall managers and marketers should develop new strategies in order to attract more and more older people by employing new technologies, vibrant color schemes and futuristic, whereas they should also devise ways of attracting older people by offering complete family entertainment along with a great shopping experience.

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