



## A STUDY ON FACTORS AFFECTING CUSTOMER'S CHOICE OF SHOPPING MALLS

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**ABSTRACT** Shopping malls draw the attention of both sellers and buyers and provide sufficient time to customers for making choices and recreational options in shopping. Meanwhile, stiff competition between malls and usual shopping centres leads developers of mall to believe alternative methods to make customers more excited. The quality, value, promotional measures, layout and expediency are the factors affecting customer's choice of shopping malls. There is significant difference between socio-economic profile of customers and factors affecting their choice of shopping malls except occupation of customers and factors affecting choice of shopping malls and marital status of customers and factors affecting choice of shopping malls. Therefore, the shopping mall should improve the visibility of products through placing products in right place, lighting arrangements and product coverage. The shopping malls must include new and innovative ideas that keep the customer's happiness and these malls should adjust to mall culture with the preferences and sensitiveness of the customers.

**KEYWORDS :** Choice, Customer, Shopping Mall

### 1. INTRODUCTION

The Indian retail sector is flourishing and mall growth is seen as an apparent indicator of the economic affluence in the nation. The combination of shopping and entertainment is receiving better and bigger and attracting customers mainly with food courts and multiplexes. The dominance of the retail activity is noticeable in the metropolitan cities but tier II and III cities are also observing change. The malls with multiplexes and shopping are attractive destinations for customers in India.

A shopping mall is a building that comprises of different types of retail shops with connecting customers to move from shop to shop with modern look, modified form of conventional market area with adequate parking area. Shopping mall includes a combination of shopping and entertainment places that is properly managed as a single entity (Sujatha and Priya, 2015).

Nowadays, shopping malls make the retailing business more competitive and efficient as compare to conventional retail market where supply and demand converges. Shopping malls draw the attention of both sellers and buyers and provide sufficient time to customers for making choices and recreational options in shopping. Meanwhile, stiff competition between malls and usual shopping centres leads developers of mall to believe alternative methods to make customers more excited.

Furthermore, the shopping mall attracts customers because of entertainment, diversity, comfort, convenience, luxury from the perspective of customers and such shopping mall's attraction may be designed to target different segments of customers. In today's highly competitive mall environment, retailers of mall need to recognize the dynamics of consumer purchasing pattern and adopt strategies for delivering value to the customers. Therefore, the present study is attempted to identify the factors affecting customer's choice of shopping malls in Chennai city.

### 2. METHODOLOGY

For the present study, the Chennai city has been selected. The customers of shopping malls have been selected by using convenience sampling technique. The data have been collected from 775 customers of shopping malls through pre-tested and structured questionnaire. The frequency and percentage analysis have been done to understand the socio-economic profile customers of shopping malls. The exploratory factor analysis has been carried out to identify the factors affecting customer's choice of shopping malls. To study the difference between socio-economic profile of customers and factors affecting their choice of shopping malls, the ANOVA (Analysis of Variance) has been used.

### 3. RESULTS AND DISCUSSION

#### 3.1. SOCIO-ECONOMIC PROFILE OF CUSTOMERS OF SHOPPING MALLS

The socio-economic profile customers of shopping malls was analyzed and the results of are presented in Table-1. The results indicate that 55.87 per cent of customers of shopping malls are males and the remaining of 45.29 per cent of customers of shopping malls are females. It is clear that 24.52 per cent of customers of shopping malls are in the age group of 31 – 40 years followed by 21 – 30 years (20.77 per cent), 41 – 50 years (17.81 per cent), below 20 years (16.13 per cent), 51 – 60 years (12.26 per cent) and above 60 years (8.51 per cent). The results show that 26.19 per cent of customers of shopping malls have the educational qualification of graduation followed by post graduation (21.16 per cent), diploma (17.68 per cent), higher secondary (13.81 per cent), upto secondary (12.00 per cent) and illiterate (9.16 per cent). It is observed that that 35.48 per cent of customers of shopping malls are employed in private sector followed by government service (32.78 per cent), professional (18.19 per cent), business (7.74 per cent) and retired (5.81 per cent).

The results implies that 31.74 per cent of customers of shopping malls are in the monthly income group of Rs.30,001 – Rs.40,000 followed by Rs.20,001 – Rs.30,000 (22.58 per cent), Rs.40,001 – Rs.50,000 (16.52 per cent), below Rs.20,000 (16.26 per cent), Rs.50,001 – Rs.60,000 (10.32 per cent) and above Rs.60,000 (2.58 per cent). It is apparent that 68.13 per cent of customers of shopping malls are married and the remaining of 31.87 per cent of customers of shopping malls is unmarried.

**Table-1. Socio-Economic Profile of Customers of Shopping Malls**

Socio-Economic Profile	Number of Customers	Percentage
<b>Gender</b>		
Male	433	55.87
Female	342	44.13
<b>Age Group</b>		
Below 20 years	125	16.13
21 – 30 years	161	20.77
31 – 40 years	190	24.52
41 – 50 years	138	17.81
51 – 60 years	95	12.26
Above 60 years	66	8.51
<b>Educational Qualification</b>		
Illiterate	71	9.16
Upto Secondary	93	12.00
Higher Secondary	107	13.81
Diploma	137	17.68
Graduation	203	26.19
Post Graduation	164	21.16
<b>Occupation</b>		
Business	60	7.74
Government Service	254	32.78

Private Sector	275	35.48
Professional	141	18.19
Retired	45	5.81
<b>Monthly Income</b>		
Below Rs.20,000	126	16.26
Rs.20,001 – Rs.30,000	175	22.58
Rs.30,001 – Rs.40,000	246	31.74
Rs.40,001 – Rs.50,000	128	16.52
Rs.50,001 – Rs.60,000	80	10.32
Above Rs.60,000	20	2.58
<b>Marital Status</b>		
Married	528	68.13
Unmarried	247	31.87

**3.2. FACTORS AFFECTING CUSTOMER'S CHOICE OF SHOPPING MALLS**

To identify the factors affecting customer's choice of shopping malls, exploratory factor analysis has been carried out and the results obtained through rotated component matrix are presented in Table-2. The results of Kaiser-Meyer-Olkin (KMO Test) measure of sampling adequacy (KMO = 0.764) and Bartlett's test of Sphericity (Chi-square Value = 0.0036; Significance = 0.000) indicates that the factor analysis method is appropriate.

Five factors that are extracted accounting for a total of 77.67 per cent of variations on 30 variables. Each of the five factors contributes to 20.56 per cent, 17.75 per cent, 15.90 per cent, 12.64 per cent and 10.82 per cent respectively.

**Table-2. Factors Affecting Customer's Choice of Shopping Malls**

Factor	Item	Rotated Factor Loadings	Eigen Value	% of Variation	Factor Name
I	Quality of merchandise	0.62	4.36	20.56	Quality
	Availability of premium brands	0.65			
	Variety of products	0.63			
	Brand image	0.66			
	Availability of private labels	0.70			
	Accessibility	0.69			
	Quality sales person	0.64			
II	Timing for shopping	0.61	2.92	17.75	Value
	Value for money	0.62			
	Brand value	0.60			
	Services	0.65			
	Shopping environment	0.63			
	Recreational facilities	0.70			
	Credit card services	0.61			
III	Security for belongingness	0.67	1.47	15.90	Promotional Measures
	Location	0.67			
	Sales promotional measures	0.63			
	Membership and loyalty cards	0.62			
	Customer response	0.69			
	Window display	0.63			
IV	Family gathering	0.67	1.28	12.64	Layout
	Ambience	0.69			
	Lighting	0.67			
	Parking space	0.61			
	Layout of store	0.66			
V	Children play area	0.65	1.03	10.82	Expediency
	Convenience	0.60			
	Co-shoppers status	0.64			
	Billing speed	0.61			
	Transparency in billing	0.63			
	Cumulative % of Variation	-	-	77.67	-
	Cronbach's Alpha	-	-	0.85	-

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 Rotation converged in 12 iterations.

**Factor - I:** consists of quality of merchandise, availability of premium brands, variety of products, brand image, availability of private labels, accessibility, quality sales person and timing for shopping. Hence, this factor is named as **Quality**.

**Factor - II:** includes value for money, brand value, services, shopping environment, recreational facilities, credit card services and security for belongingness. Therefore, this factor is named as **Value**.

**Factor - III:** comprises of location, sales promotional measures, membership and loyalty cards, customer response, window display and family gathering. So, this factor is named as **Promotional Measures**.

**Factor - IV:** encompasses ambience, lighting, parking space, layout of store and children play area. Thus, this factor is named as **Layout**.

**Factor - V:** consists of convenience, co-shoppers status, billing speed and transparency in billing. Hence, this factor is named as **Expediency**.

The overall Cronbach's Alpha value of the scale is 0.85 indicating that each measure demonstrates acceptable internal consistency. It is inferred that quality, value, promotional measures, layout and expediency are the factors affecting customer's choice of shopping malls.

**3.3. SOCIO-ECONOMIC PROFILE OF CUSTOMERS AND FACTORS AFFECTING THEIR CHOICE OF SHOPPING MALLS**

To study the difference between socio-economic profile of customers and factors affecting their choice of shopping malls, the ANOVA (Analysis of Variance) has been used and the results are presented in Table-3.

**Table-3. Difference between Socio-Economic Profile of Customers and Factors Affecting Their Choice of Shopping Malls**

Particulars	F-Value	Sig.
Gender and Factors Affecting Choice of Shopping Malls	20.376**	.000
Age Group and Factors Affecting Choice of Shopping Malls	3.243**	.007
Educational Qualification and Factors Affecting Choice of Shopping Malls	2.644*	.021
Occupation and Factors Affecting Choice of Shopping Malls	1.919	.105
Monthly Income Factors Affecting Choice of Shopping Malls	9.912**	.000
Marital Status and Factors Affecting Choice of Shopping Malls	1.021	.313

\*\*Significant at one per cent level \*Significant at five per cent level

The results indicate that the F-values are significant indicating that there is significant difference between socio-economic profile of customers and factors affecting their choice of shopping malls except occupation of customers and factors affecting choice of shopping malls and marital status of customers and factors affecting choice of shopping malls. Hence, the null hypothesis of there is no significant difference between socio-economic profile of customers and factors affecting their choice of shopping malls are rejected.

**4. CONCLUSION**

Most of customers of shopping malls are males and majority of the customers of shopping malls are in the age group of 31 – 40 years. Most of customers of shopping malls have the educational qualification of graduation and majority of the customers of shopping malls are employed in private sector. Most of customers of shopping malls are in the monthly income group of Rs.30,001 – Rs.40,000 and majority of the customers of shopping malls are married.

The quality, value, promotional measures, layout and expediency are the factors affecting customer's choice of shopping malls. There is significant difference between socio-economic profile of customers and factors affecting their choice of shopping malls except occupation of customers and factors affecting choice of shopping malls and marital status of customers and factors affecting choice of shopping malls.

Therefore, the shopping mall should improve the visibility of products through placing products in right place, lighting arrangements and product coverage. The shopping malls must include new and innovative ideas that keep the customer's happiness and these malls

should adjust to mall culture with the preferences and sensitiveness of the customers. The shopping malls should also provide relaxing and exciting facilities and ambience to their customers. Besides, the shopping malls must provide value proportions in terms of quality, money, time and experience.

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