

A Study of Consumer Purchasing Decision Challenges Versus Shopping Mall's Strategies

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ABSTRACT

This paper is an attempt to evaluate the long and short term shopping malls strategies and their effects on consumer purchasing decision. This study is based on a field survey in Pune city. It tries to evaluate the outcomes of shopping malls strategies based on consumer opinion. It also tries to evaluate the effects of pricing policy, staff abilities, design structure of malls and promotional policies on consumer purchasing decision.

KEY WORDS: Shopping mall, long and short term strategies, purchasing decision, Pune (India)

INTRODUCTION

Shopping centers have existed in some form for more than 1,000 years as ancient market squares, bazaars and seaport commercial districts (icsc.org/srch). A shopping center, shopping mall, or shopping plaza, is the modern adaptation of the historical marketplace. The mall is a collection of independent retail stores, services, and a parking area, which is conceived, constructed, and maintained by a separate management firm as a unit. They may also contain restaurants, banks, theaters, professional offices, service stations etc (inventors.about.com). As we enter the 21st century, shopping centers continue to evolve and serve communities' social and economic needs. With the combination of fashion, food, entertainment, and services, shopping centers have greatly expanded their role in the communities they serve(icsc.org/srch).

RESEARCH OBJECTIVES

Nowadays with growing culture of shopping malls in Indian cities, it becomes necessary to study the consumer behaviour of shopping malls for framing suitable strategies. The objectives of this research are as follows:

- To investigate the most important shopping mall strategies and policies.
- To study the effects of short term and long term strategies used by marketing managers in shopping mall market.

- To study the pricing policy of shopping malls.
- To evaluate the staff abilities of shopping malls based on consumer perspective.
- To evaluate the effectiveness of design structure of shopping malls based on consumer perspective.
- To evaluate sales promotion policies of shopping malls.

RESEARCH METHODOLOGY

To assess short term strategies the researchers have focused on six different policies which include:

- a. Adding free quantity to the real amount of a product.
- b. Attaching an extra free product to a specific product.
- c. Giving one free product with a specific limit of purchase.
- d. Reduction of price without decreasing the quality or quantity.
- e. Reduction of price as well as quality or quantity.
- f. Any specific offers (discounts).

Similarly to assess the long term strategies the research focuses on seven different policies which include:

- a. Supplying products with good quality
- b. Supplying original brands.
- c. Having fair pricing policy.
- d. Presenting new products.
- e. Presenting variety of brands.
- f. Having skillful and friendly staffs.
- g. Having attractive decoration.

Sample

Simple Random Sampling (SRS) method was adopted to select the appropriate sample. The survey was conducted in Pune city. For purpose of data collection different consumers were approached in different shopping malls. A total of 160 respondents (80 men and 80 women) were selected from 4 shopping malls (2 branches each) situated in and around Pune city.

Data collection tool and statistical methods

A structured questionnaire containing 15 questions related to short term and long term strategies, which have been practiced by shopping mall managers, was prepared for data collection. In addition to the above

15 questions, 5 questions related to demographic characteristics of consumers were also included in questionnaire. Five point Likert Scale was used for the purpose of assessment of consumer opinions. The data is presented as percentage of positive attitude of respondents and also using mean with standard deviation (SD) appropriately.

Data analysis

The data analysis was carried out in two different stages:

- a. Univariate Analysis
- b. Bivariate Analysis

a. Univariate Analysis

For purpose of conducting Univariate analysis we used frequency distribution method with valid percentages.

b. Bivariate Analysis

In this step short term and long term scores were calculated using average of appropriate responses of questions in order to quantify the respective strategies. For comparison of the effectiveness of short term and long term strategies we used Nonparametric statistics (Wilcoxon's Signed Rank Test) which is a paired analysis in nature.

FINDINGS

Univariate analysis of positive attitude of respondents for short term and long term strategies revealed the results in form of the following tables (tables No. 1 and 2) :

Table No. 1
Short Term Strategy

	Policy	% of positive attitude of respondents
a	Adding free quantity to the real amount of a product	73.7 %
b	Attaching an extra free product to a specific product	71.2%
c	Giving one free product with a specific limit of purchase	49.4%
d	Reduction of price without decreasing the quality or quantity	83.2%
e	Reduction of price as well as quality or quantity	15%
f	Any specific offers (discounts)	78.1%

From table 1 it is clear that, short term policies like ‘a’ i.e. adding free quantity to the real amount of a product, ‘b’ i.e. attaching an extra free product to a specific product, ‘d’ i.e. reduction of price without decreasing the quality or quantity and ‘f’ i.e. any specific offers (discounts) have received more positive responses (~ more than 70%) while policies like ‘c’ i.e. giving one free product with a specific limit of purchase and ‘e’ i.e. reduction of price as well as quality or quantity received less positive responses (~ less than 50%). It is peculiar to note that, the policy ‘d’ has the highest percentage where as the policy ‘e’ has the lowest positive response.

Table No. 2
Long Term Strategy

	Policy	% of positive attitude of respondents
a	Supplying products with good quality	83.2%
b	Supplying original brands	77.5%
c	Having fair pricing policy	55.6%
d	Presenting new products	70.7%
e	Presenting variety of brands	87.5%
f*	Having skillful and friendly staffs	67.9%
g	Having attractive decoration	85.6%

* Geometric Mean

From table 2 it is obvious that, long term policies like ‘a’ i.e. supplying products with good quality, ‘b’ i.e. supplying original brands, ‘d’ i.e. Presenting new products, ‘e’ i.e. presenting variety of brands, ‘f’ i.e. Having skillful and friendly staffs and ‘g’ i.e. having attractive decoration have received more positive responses (~ more than 60%) while policy ‘c’ i.e. Having fair pricing policy has received less positive responses (less than 60%). It is peculiar to note that, the policy ‘e’ has the highest percentage where as the policy ‘c’ has the lowest positive response.

Comparison of short and long term strategies

From table 3 it is clear that, the average score of long term strategy is significantly greater than the average score of short term strategy. This implies that, the consumer’s purchasing decision is more affected by long

term strategy rather than short term. The table clearly shows this fact for different shopping malls and also for all shopping malls when combined.

Table No. 3
Comparison of short and long term strategies

	Short term strategy Score	Long term strategy Score	p- value
All Shopping malls combined	3.6 (0.44)	3.8 (0.51)	0.000
Pyramid	3.5 (0.37)	3.9 (0.45)	0.000
Shoppers Stop	3.6 (0.44)	3.9 (0.49)	0.002
Central	3.6 (0.45)	3.9 (0.54)	0.002
Big-Bazaar	3.7 (0.47)	3.6 (0.54)	0.833

Values are Mean (SD)

p-value by Wilcoxon's Signed Rank Test (Non-parametric method)

Quantity and price aspects for sales promotion (Short term strategy)

The short term strategy was further classified based on sales promotion policies as per the quantity and price aspects. Similarly for long term strategy quality assurance was a basis for classification of good quality and guarantee of originality.

The quantity aspects include

- a. adding free quantity to the real amount of a product
- b. attaching an extra free products to a specific product
- c. giving one free product with a specific limit of purchase

The price aspects include

- d. reduction of price without decreasing the quality or quantity
- e. any specific offers (discounts) .

In this step for analysis we used geometric mean of percentages of positive attitude of these appropriate responses as shown in figure 1. It is apparent that price aspects received the higher positive response compare to the quantity aspects.

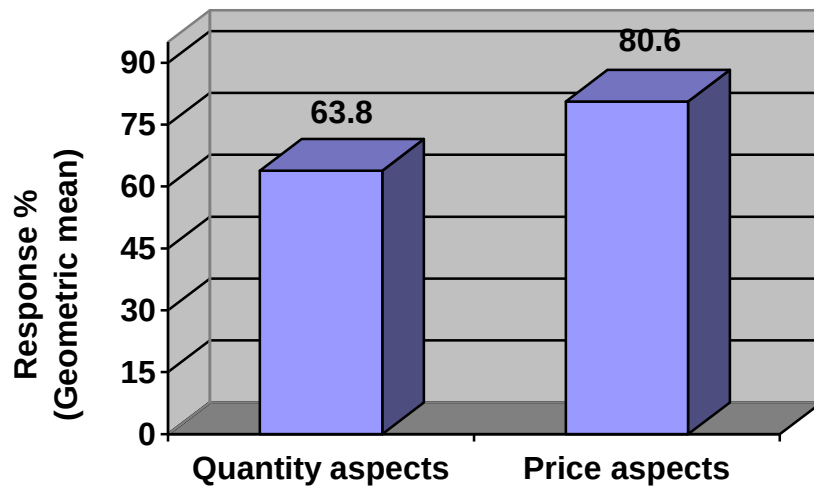


Figure 1 Sales promotion polices (shot term)

Quality assurance of products (long term strategy)

Quality assurance of products include

- a. Supplying products with good quality
- b. Supplying original brands

Similar to the short term, also we used geometric mean of percentages of positive attitude of appropriate responses which are shown in figure 2. It is apparent that originality of brand has received the higher positive response compared to the quality aspect.

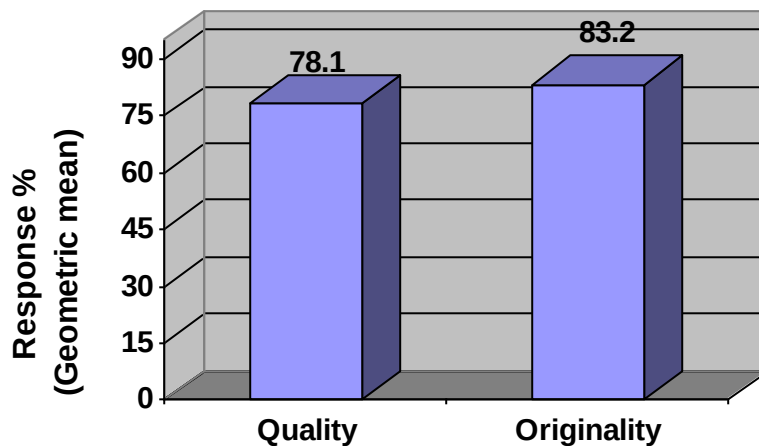


Figure 2 Quality assurance of products (long term)

Effect of demographic characteristics on purchasing decision

The statistical methods to assess the association of demographic characteristics with short term and long term strategies revealed that the quantity and price aspects of short term strategy were not significantly associated with gender. Similarly quality assurance of products which is related to long term strategy was also not associated with gender. It is interesting to note that long term satisfaction of consumers towards the staff abilities was significantly associated with gender.

The consumer's age was significantly associated with long term pricing policy. The general pricing policy (short term and long term, combined) was significantly associated with gender and as well age of consumers.

CONCLUSIONS

- The purchasing decisions of consumers are more affected by long term strategy rather than short term.
- This study reveals that strengthening the long term strategies appropriately will have potential benefits for consumers' satisfaction as well as shopping malls' benefit.
- The consumers' age and gender have significant effects on general pricing policy (short and long term) of shopping malls. This indicate that the, shopping malls should frame the pricing policies separately for different age groups and gender.
- The quantity aspect of short term strategy is important compared to its price aspect. This implies that, in general consumers prefer to receive adequate quantity of a specific product rather than decreasing the price.
- The originality of brand aspect of long term strategy is important compared to its quality aspect. This implies that, in general consumers are sensitive about originality of product and then the quality of product supplied by shopping malls.
- It is clear that, the shopping mall consumers are opposed to the policy of decreasing the quality or quantity of a product for the purpose of price reduction.
- Supplying variety of brands by shopping malls will create a great impact on consumer purchasing decision.
- The policy of adding free quantity to the real amount of a product and attaching an extra free product to a specific product will encourage the consumer to purchase those products.

- Giving one free product with a specific limit of purchase is not significantly associated with consumers' purchasing decision.