

## Determinants of Buying Behaviour in Shopping Malls: A Study of Malls in Cochin City

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**Abstract:** This paper looks into the factors that influence the buying behaviour of consumers who visit and purchase from Malls. The business strategies being adopted by the Malls to enthruse consumers have made it inevitable to think of making necessary changes in the existing theories that explain consumer behaviour. Along with prices, many other non-economic factors have come to be decisive in influencing the consumer behaviour of those who frequent at Malls. Among the economic factors, offering products at discounts is the main factor that influences the buying behaviour. This corroborates the fact that even in Malls consumers look at products sold at low prices. Combo offers also play an indispensable role in deciding the buying behaviour of consumers at Malls. Many non-economic and hedonic factors have come to occupy a significant place in the demand function pertaining to those who visit Malls. Theories of consumers' behaviour need to be accommodative of these changes.

**Key Words:** Consumer Behaviour, Demand Function, Promotional and Atmospheric engagement factors; emotional and rational consumer; hedonic pricing, combo offers, Dumping

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### I. Introduction

Malls have become rampant in urban and semi-urban pockets in India<sup>i</sup>. Kerala too is not an exception to this. The onset of reforms and the opening up of the economy have been the forcing elements in mushrooming mall culture in India. Malls provide a single platform for buying a range of necessary products, thereby reducing the search cost in buying products, enhancing effectiveness in transactions, availing cost-effective avenues for purchases via discounts, enjoying the benefit of economies of scale in bulk buying and finally saving the precious time for other productive economic operations. The organized retail marketing movement pioneered by big international corporates and the entry of domestic business giants like Reliance in India into the retail marketing have fuelled the establishment of shopping malls in the country. Shopping malls, apart from facilitating buying of products, offer employment opportunities to a large number of both educated and semi-educated people in the country. Since they follow fool proof accounting system, they are a good source of tax revenue to the governments. Local self-governments have also been the beneficiaries of malls established in urban and sub-urban areas as they give regular and uninterrupted revenue to the local self-governments.

Having seen these changes and benefits that the malls have unleashed, now it would be pertinent to look into the behavioural changes that malls make in the buying pattern of consumers. In the following sections of this paper, we make an attempt to the present the factors that drive the customers to visit and buy from the Malls. The analysis is based on a survey conducted among the visitors of certain well-established Malls in Cochin City in Kerala<sup>ii</sup>. The Mall Intercept method is employed to obtain information.

Obviously, the buying behaviour often seems to be depending on the prices of goods, income of the buyer, and moreover the urgency of the need to purchase such commodities. Nevertheless, the entry of malls has made changes in the buying behaviour of people. Economic theory postulate that consumers are rational which means in effecting a purchase they consider *inter alia* factors like the price of the commodity, the prices of relative commodities, and income available to the customers. They take a decision to purchase a product once they believe that whatever they pay to it would be tantamount to what they expect from the product. Unless the presumed tangency reaches, they continue to remain perplexed as to whether the product is to be purchased or not. But, it appears that the marketing and advertising strategies that the retailers in Malls adopt tend to create a kind of impulsive buying behaviour in prospective consumers which results from emotion ruling over rationality. Malls succeed in creating this emotion among the consumers and often consumers indulge in excessive purchases. Young people appear to be more emotional than rational and perhaps due to this reason that it is unsurprising that the youngsters constitute the majority visitors of Malls (Table No1)

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**Table 1:** Age wise composition of Mall Visitors

Age	Percentage
0-20	21.25
20-30	50.00
30-40	8.75
40-50	17.5
Above 50	2.50
<b>Total</b>	<b>100</b>

**Source: Primary Survey**

It is obvious that customers are unlikely to frequent malls daily. If it were so, Malls would have replaced most of the traditional and petty retail shops. People prefer to shop in Malls sometimes for the sake of enjoyment and for purchasing rare and modern items which they require in large volume. Some people take the visit as an entertainment cum shopping. Studies have also found that majority of customers visit malls only once in a month (Table No2)

**Table 2**Frequency of Visit

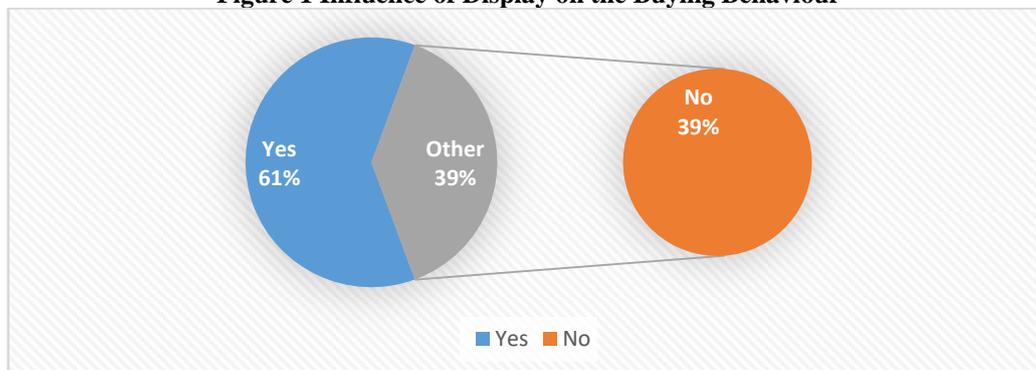
Types	Percentage
Daily	00
Weekly	16.25
Monthly	83.75
<b>Total</b>	<b>100</b>

**Source: Primary Survey**

Why do people especially young people at large get attracted to Malls? There could be several reasons for this, and indeed these reasons may suffice themselves to be the determinants of buying behaviour in Malls. At the outset, the factors tempting people to prefer Malls may be categorized as under: *Promotional factors* and *Atmosphere engagement factors*. The former covers offering cash vouchers, gift vouchers, cash discounts, combo offers, offering membership in clubs and the like while the latter encompass entertainment and clean and thrilling atmosphere that the Malls keep enticing customers to stay inside the Malls, thereby tempting to enquire about products which ultimately ends with purchasing the products. The basic aim is to create an atmosphere where the customers prefer to stay in rather than quickly moving out. Of these two categories, the latter surfaces as the most important determinant of buying behaviour of people as far as the Malls are concerned.

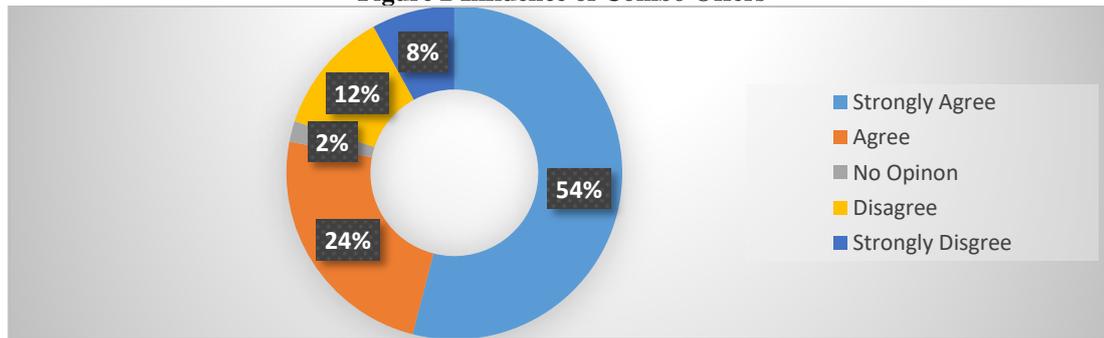
We here discuss the influence of selected atmospheric and promotional factors that determine the buying behaviour of customers. Malls exhibit attractive display systems to lure customers to their shops. Unlike traditional shops or single shops which focus on selling to those who approach them, malls using expensive and attractive displays to welcome customers to their shops. In the present study, however, only 61 percent of customers surveyed opined that they had been attracted by the displays of the shops in Malls (Figure I).

**Figure 1 Influence of Display on the Buying Behaviour**



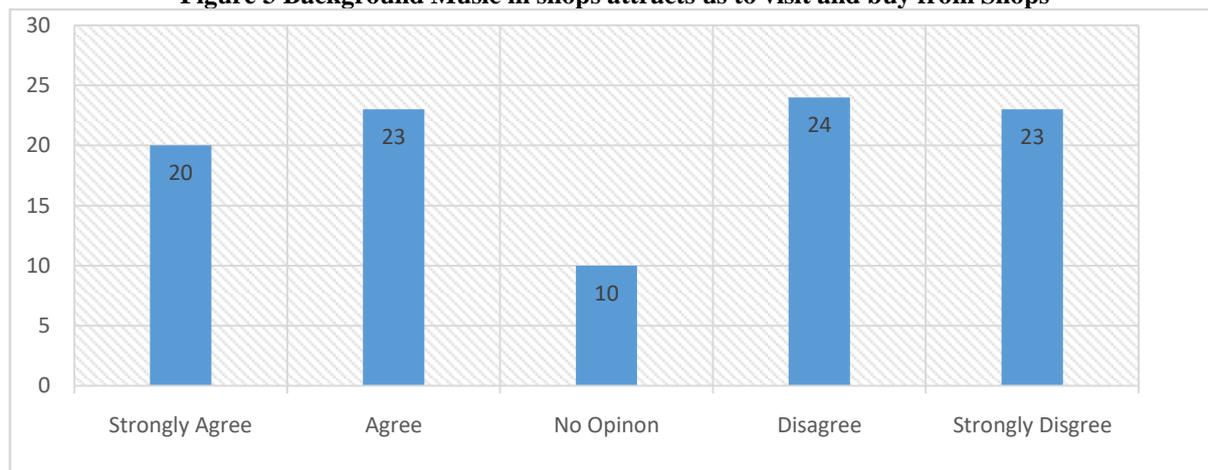
Shops in Malls occasionally offer combo offers to their customers. There are two kinds of combo offers: one is the combo offer announced by the manufacturing or the marketing company which is available to all kinds of shops irrespective of whether they are located in Malls or not. Second is the one which the shops in Malls jointly announce in certain festival or off seasons to attract customers in large number. Malls in cities often come out with Combo offers to drive their competitor out of the market. In the present study, it is quite unsurprising to note that more than fifty percent of respondents strongly agree with the fact that combo offers play an important role in getting them attracted to the Malls. Putting together those who strongly agree and agree, it may be observed that near 80 percent of respondents feel that Combo Offers play an influential role in determining the buying behaviour of Mall goers (Figure No. 2).

**Figure 2 Influence of Combo Offers**



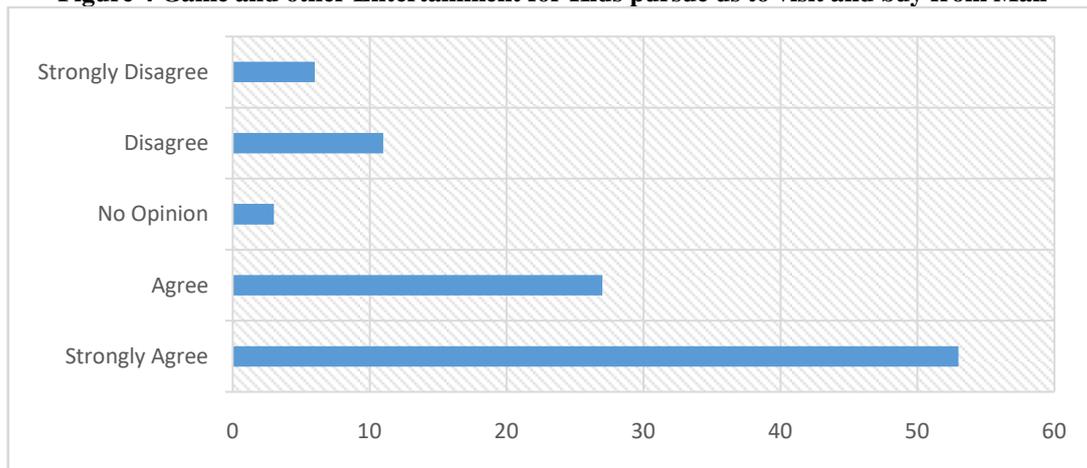
Shops in Malls practice diverse and fascinating methods to invite customers' attention to their surroundings and finally to pursue them to commit purchasing even high priced goods. Sometimes Mall management arranges such practices on their own so that it benefits all shops alike whereas some shops adopt independent advertising and showcasing strategies to separately attract customers. Many shops create a conducive and enticing atmosphere by making arrangement for airing musical backgrounds. This is quite unusual in the case of traditional single shops. Although shops in Malls continue to provide background music, it appears that customers, in general, are not much interested in such exercises, and they do not in any way believe that this is something which can decisively decide their buying behaviour. This is obvious from the data that almost the same percentage of respondents share both views that is while half of them opine that background music influences their buying behaviour, another half does not share the same view. Precisely, it could be inferred that background music is hardly important in determining the buying behaviour of customers in Malls (Figure No.3).

**Figure 3 Background Music in shops attracts us to visit and buy from Shops**



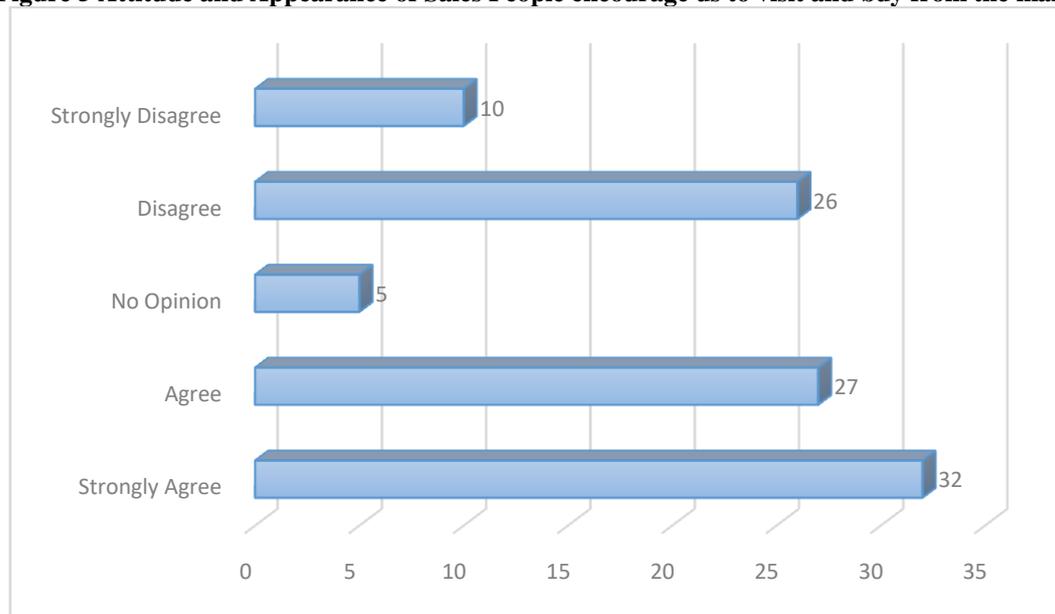
Children have become the target of most of the manufacturing and marketing companies. In today's nuclear family environment, parents heed to whatever things that the children demand. Therefore, reaching out to the parents by luring the children has become the order of the day for businessmen. Taking inspiration from this, Malls have arranged special game sections for children. This business strategy has been proved successful in many cases. In the present study, respondents strongly agree with the fact that games and kids' entertainment avenues facilitated by Malls pursue them to make frequent visits and buy products from shops (Figure No.4)

**Figure 4 Game and other Entertainment for Kids pursue us to visit and buy from Mall**



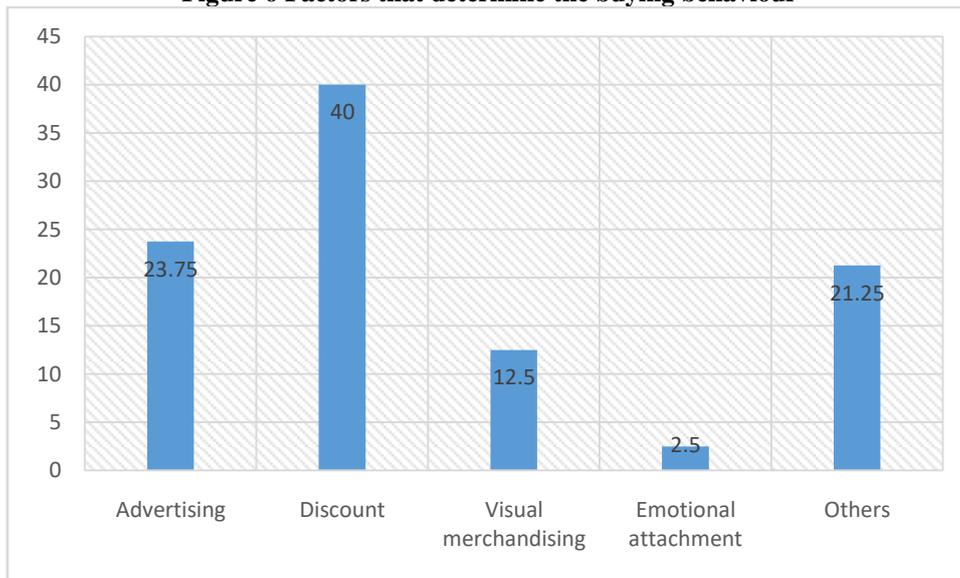
Another important factor in determining the buying behaviour of people visiting Malls is the attitude of Sales Persons. Everywhere in the marketing business, salespersons play a key role. The attitude of the Sales Persons is an important factor which decides the volume of business that a shop does every day. Certain management institutes have devised modules to train Sales Persons. For a selling company, Salesmen/women are indispensable to grow its business. In Malls, Sales Persons enjoy a good and conducive atmosphere to work. Near about 60 percent of respondents hold the view that attitude and appearance of salespeople have encouraged them to visit and buy products from Malls (Figure No.5)

**Figure 5 Attitude and Appearance of Sales People encourage us to visit and buy from the malls**



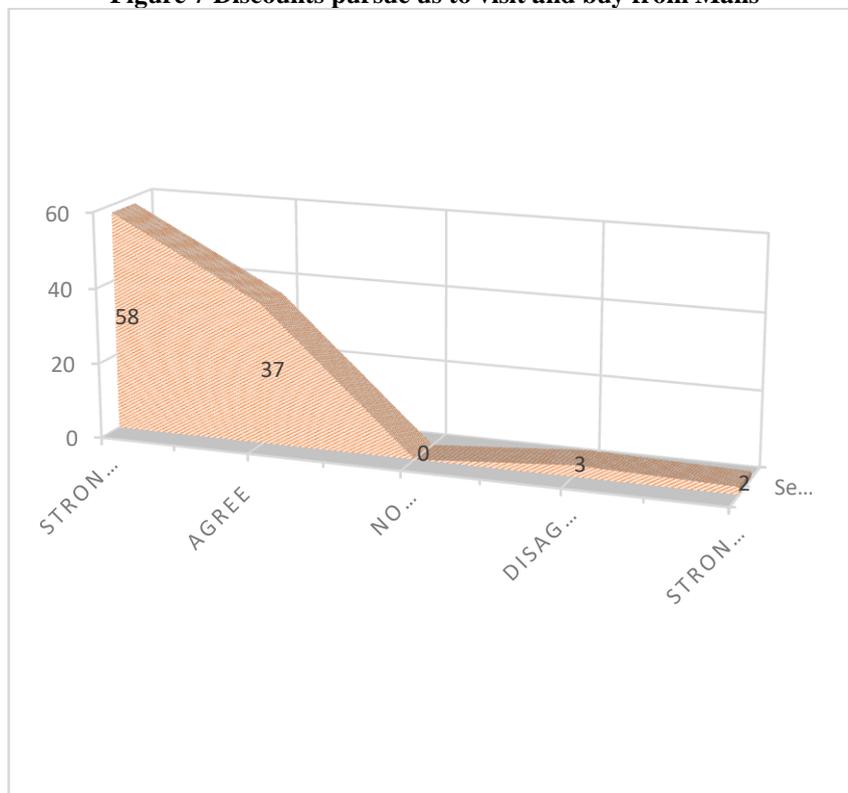
Fundamentally, in consumer behaviour what is true is what the law of demand suggests, that is at low prices demand would be higher and vice versa. The most influential factor in deciding the buying of behaviour of people anywhere and anytime is nothing but the prices of the products. Other factors which we presume constant in the formulation of the law of demand come only second to prices. Drop in prices is made in different ways and for different reasons. Sometimes, a direct slash in prices is effected by the manufacture himself so that he can run down inventories (of unsold stock). In certain occasions, prices are deliberately kept at low to drive the competitors out of the market (dumping). Yet another way of effecting a decline in prices is offering discounts.

**Figure 6 Factors that determine the buying behaviour**



Discounts often come in the form of percentage wise decline from the maximum retail prices which are kept unchanged. But the customer has to pay only the retail prices minus discounted percent. In effect, customers could buy products at low prices. Discounts may be offered by the manufacturer or shopper. In Malls, often shops join together to offer discounts. Certain Malls offer discounts to the extent of 70 percent of the retail prices. E-commerce sites thrive on offering huge discounts to their customers. Studies have found that Discounts offered by Malls are the major factor tempting them to visit and buy products from the Malls (Figure No.6 and 7). It is interesting to note that advertising also plays an important role although second to discount in determining the buying behaviour of people in Malls.

**Figure 7 Discounts pursue us to visit and buy from Malls**



To conclude, it may be observed that in Malls the buying behaviour of customers is influenced by both economic and non-economic factors. Among the economic factors, offering products at discounts is the main factor than influences the buying behaviour. This corroborates the fact that even in Malls consumers look at products sold at low prices. Combo offers also play an indispensable role in deciding the buying behaviour of consumers at Malls. The Attitude of salespersons employed in Malls can influence the buying behaviour of people to a significant extent. Kids' entertainment facilities that the Malls provide attract families to visit and shop at Malls. The study, in brief, points towards the fact Malls have created a specific pattern of buying behaviour among the consumers. Many non-economic and hedonic factors have come to occupy a significant place in the demand function pertaining to those who visit Malls. Theories of consumers' behaviour need to be accommodative of these changes.

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<sup>i</sup>In the year 2006, India had only 220 malls which increased to 600 in 2010, and further to 715 in 2015 (Rajasekhar & Chandar, 2016)

<sup>ii</sup> We are thankful to Ms Cheeshma Chakkappan, former Post Graduate Student of PM Government College, Chalakdy, for her effort in collecting a part of data used in this paper.

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