Malls : Redifining the consumption landscape in the city of Lucknow

Lata Murjani
Senior Lecturer
KJ Somaiya Institute of Management Studies and Research
Mumbai
Aarti Mehta Sharma
Senior Lecturer
Amity University, Lucknow

ABSTRACT

The most striking change in the last decade has been the rise of discretionary shoppers. Armed with a new capitalist economy that has created jobs, Indian consumers have awakened a sleeping retail giant. Glitzy shopping malls choc a bloc with the biggest brands dot the urban landscape. Seduced by conducive entry regulations and India's economic takeoff, global retail players are bringing the biggest brands to the discerning shopper. Food courts are teeming with people enjoying branded burgers, pizzas etc. A 40 % growth has been recorded by the Indian fast food industry. Newspapers are inundated with reports of existing food outlets doubling or tripling their outlets by 2007. On the flip side, Indians have never been fatter. Reports suggest that if we are not careful we could be soon fighting a fat epidemic. India ranks among the top 10 obese nations in the world and 120 million Indians are obese. With new shopping malls becoming operational in several cities in India this study aims to observe the shopping behaviour of consumers in B grade cities, like Lucknow, find out if their brand awareness has escalated and check the hypothesis that shopping malls lead to enhanced consumption of junk food and hence obesity.

Introduction

Globalization and hence retail is on a roll in India. Globalization is redefining not only the principles of economy and management, but has also shaped consumer behaviour patterns. The most striking change in the last decade has been the rise of discretionary shoppers. India has become a beehive for investors from all over the globe, with MNC's investing in India through all possible routes. Rise in purchasing power has awakened a sleeping retail giant, and it is estimated that India is going to have 100 million sq ft. of quality shopping centre space by 2007-08. Retail, both organized and unorganized as a sector will be growing at more than 30 % p.a. Indian retailers, like Pantaloon, RPG, Lifestyle, Rahejas, Piramyd and Tata Trent are investing in a big way. The big daddy of retail - Reliance, the biggest bidder in India for retail announced on June 27, 2006 that it is going to invest Rs. 250 billion, for a presence in 1500 cities across India, in the process creating 10 Lakh new jobs. It is not only Indian companies who are targeting this new consumer group but retail giants from all over the globe like Wal-Mart, Carrefour, Tesco, Metro AG and many more are rushing in, realizing that 86% of the population of any segment is in developing and yet to be developed nations.

Thus very soon glitzy shopping walls choc a bloc with the biggest brands will dot the Indian retail landscape.

Government is also riding high by allowing FDI upto 51% in single brand retailing and very soon will be touching 100% FDI bringing cheer to India's 25 million middle income markets, whose demands are escalating along with the growing expenditure rate of more than 11.5% p.a. The phenomenon of globalization has emerged onto the global economics scene by aligning with national economics, making them seem "Indian". For e.g. The Indian vegetarian burger at McDonalds or the paneer tikka pizza which would find no takers anywhere else in the world. Food courts are teeming with people enjoying branded burgers, pizzas etc. We have always been a people who enjoy our food - but till recently we ate at home. Then came in the fast food MNC's and a race to satiate the taste buds ensued. A 40% growth has been recorded by the Indian fast industry. Newspapers are inundated with reports of existing food outlets doubling or tripling their outlets by 2007. On the flip side, Indians have never been fatter. Reports suggest that if we are not careful we could be soon fighting a fat epidemic. India ranks among the top 10 obese nations in the world and 120 million Indians are obese. The advent of shopping malls has lead to several studies on consumer behaviour in metropolitan cities like New Delhi, Mumbai and Chennai etc. With new shopping malls becoming operational in several non metro cities in India this study aims to observe the shopping behaviour of consumers in B grade towns, like Lucknow, find out if their brand awareness has escalated and check the hypothesis that shopping malls lead to enhanced consumption of junk food and hence obesity.

Though more studies are needed to understand the precise prevalence of overweight and obesity in India, school based data demonstrated an obesity range of 5.6 per cent to 24 per cent for the children and adolescents in the country, according to Indian pediatrics. A study conducted by a Medical College and Hospital in Punjab among school children of both sexes in 2003 revealed that more than one-tenth of school children in the age group of 9 to 15 are obese, a figure only slightly lower than that reported from most western countries.

The rising influence of urbanization, satellite television invasion has changed the life styles of the people drastically in India. Paradoxically, as is happening elsewhere in the developing world, people are using their growing income to replace traditional diets rich in fiber and grain with diets that include a greater proportion of fats and calorie sweeteners. Experts warn that diabetes and heart disease could rise dramatically in the next 25 years unless the government tackles the problem. And that, in turn, could overwhelm India's already over-burdened health care system.

According to Amelia Gentleman reported in The Observer, December 4,2005, seventy-six per cent of women in the capital, New Delhi, are suffering from abdominal obesity.According to a survey by the All-India Institute of Medical Sciences, 'It is a serious problem for India', Anoop Misra, the co-author of the study, said. In major metropolitan areas it is almost epidemic with people living much more sedentary lives. If you are rich, you can pick up a phone and order a pizza, you have a car, so you don't need to walk anywhere.

Both Indian enterprises and global marketers are in search of new consumer base and the Indian consumer is a perfect segment. The growth of service sector in India, and new age business has given a thrust to a new generation which is confident and has a will to succeed, today to be rich is no longer a hidden desire but an explicit need. This group is driving segments below it to either emulate it or believe that they too can be successful. This manifests itself through desires and wants in more modern and consumption oriented lifestyle and this is more evident in food and beverages where people are following the simple philosophy "I consume because it's there".

The so called fast foods containing high quantities of fats, oils, carbohydrates and preserved ingredients have not only invaded the developed would but is also engulfing developing, and still to be developed nations. Health is an issue about which people ask in both Indian and western marketed food.

What is driving this consumer desire? The growth of disposable income, lifestyle changes driven by cross cultural flows, access to media and communication, and access to a huge range of consumption options are combining to create a whole new identity beyond national and traditional cultural boundaries for the younger generation. The borderless world has unleashed forces of global unification, which have struck a chord with one and all. This creates marketing opportunities as the young promote consumption of different products, be it in education or for leisure, which were foreign to our culture.

The debate is not about this junk food, or if eating out culture is good or bad, societies evolve by accepting values, ideas, products and behaviour that hold us together as families and societies. The debate is whether we can prevent this? No, it is not possible as long as we are living in a democracy we will continue to absorb from the rest of the world.

Objectives:-

The research was conducted with following objectives:-

1- To present a comprehensive socio-economic profile of the mall consumers.

2- To analyze customer's buying patterns and brand preferences at malls.

3- To understand customers level of satisfaction with present day malls.

4- To analyze eating out habits in general, with specific reference to malls and its impact on consumption pattern and obesity.

Methodology:-

A structured non disguised questionnaire with 26 questions was used to collect primary data. A convenient random sample of 100 respondents from Sahara Ganj (Lucknow's biggest and latest shopping mall), and from all over the city of Lucknow were administered the questionnaire. It contained open ended, closed ended and ranking questions. Secondary data was collected through internet, journals, magazines and several other sources. Primary data was analyzed using percentages and simple statistical tools.

Vital Statistics: Lucknow

Lucknow's Population	:	2.8 million
Area (Sq. Km.)	:	2528
Density (per Sq. Km.)	:	1081
Sex ratio	:	865 females per 1000 males
Literacy rate	:	57.49%

Lucknow is a two tier city with lots of disposable income, the local residents and with people from smaller cities coming here instead of going to other metropolitan cities. The mall apart from its experience of shopping is also catering to lower middle class with local brands selling for lower prices. Most consumers believe it to be an all in one experience with shopping, entertainment & gastronomic delights under one roof.

Mall Profile:-

Spread across 5.74 acres and with a project value of Rs.22964.36 lakhs, Sahara Ganj boasts of four screens and lots of eateries from McDonalds, Barista, Tundey Kebab, Royal Café, and Copper Chimney to a full fledged food court. The five level mall, open

365 days is claimed to be the biggest in U.P. It is fully air conditioned, power backed, has escalators, capsule lifts, play area and wash rooms.

DATA ANALYSIS AND DISCUSSION

The data has been collected by administering a questionnaire which contained simple, open ended, ranking and multiple choice questions. The questionnaire was structured in such a way that the study obtains data regarding the following aspect of the respondents:-

- Preferences and Perceptions
- Brand buying habits
- Eating out habits

The results are as follows:-

- In keeping with India's demographic profile, majority of the respondents were in the age group of 20-30, with 33% being students.
- Family income of the shoppers was generally between Rs. 10,000 - Rs. 20,000 per month.
- Surprisingly 62% of the respondents were men.
- Most of the people said that they visit Sahara Ganj twice a month or more. This indicates repeat footfalls.
- Most come with family and friends.
- The most frequented store was Big Bazaar. A whopping 60% visit the same.
- Consumers also come to enjoy the different culinary delights offered at the mall.
- The highest brand buying was for men's apparel and sports shoes.
- On the whole, the shopping mall experience was to the consumer's satisfaction, receiving between 3 and 4 on all indices in the ranking question.
- The food court experience was also highly positive, getting between 3 and 4 on all indices.
- More than half of the respondents preferred eating in the mall as compared to restaurants outside malls and roadside vendors.
- Nearly half of the respondent's felt that they had put on weight.
- Of these majority felt that eating out was responsible for this.
- A majority of respondents felt that they were eating out twice as much as the past year.

TABLE 1 : CONSUMER PROFILE

S.No. 1.1	Parameter Age	Percentage
a	19-25	42
b	25-30	22
c	30-40	17
d	40-50	8
e	50-60	8
f	60 +	3
	Total	**100**
S.No. 1.2	**Parameter Occupation**	**Percentage**
a	Student	33
b	Business	19
c	Sales Prof.	10
d	Doctor Languages	5
e	Academics	18
f	Housewife	3
h	Others	6
	Total	**100**
S.No. 1.3	**Parameter Income (per month)**	**Percentage**
a	< 10 K	24
b	10-20	34
c	20-30	17
d	30-40	11
e	40+	9
f	N A	5
	Total	**100**

S.No. 1.4	**Parameter Gender**	**Percentage**
a	Male	62
b	Female	38

TABLE 2 : CONSUMER PREFERENCES

S.No.	Parameter	Percentage
2.1	**How many times do you visit?**	
a	Less than once a month	14
b	Once a month	10
c	Thrice a month	28
d	Thrice a month	14
e	Four times a month	13
f	More than four times	16
g	Every alternate day	5
h	Every day	-
	Total	**100**
2.2	**Whom do you come with?**	**Percentage**
a	Friends	36
b	Family	47
c	Friends and Family	11
d	Others	6
	Total	**100**
2.3	**Which store(s) do you go to the most**	**No. of responses**
a	Big Bazaar	60
b	Restaurant / Food Court	47
c	Apparel	18
d	FMCG	22
e	Elections	7
f	Stationary	7
g	Theatre	33
h	Home Improvement	6

i	Accessories	13
j	Accessories	13
k	Gifts	15
l	Others	2

TABLE 3 : BRAND AWARENESS AND PURCHASE

S.No.	**Parameter**	
3.1	**Which are the major brands you are aware of?**	**No. of responses**
a	Apparel - Men	69
b	Sports Shoes	19
c	Foot Wears	13
d	Kids Wear	2
e	Electronics	5
f	Telecom	3
g	Theatre	3
h	Big Bazaar	7
i	Watches	3
j	Stationary	1
3.2	**Are you more aware of brands since the opening of the shopping malls?**	**Percentage**
a	Yes	71
b	No	29
	Total	**100**
3.3	**Brand Bought Categories**	No. of responses
a	Apparel Men's	62
b	Stores - Westside/wills	20
c	FMCG	13
d	Jeans	41
e	Watches	2

f	Foot Wear	26
g	Mobiles	6

3.6	**Amount Spent per month while visiting mall?**	**Percentage**
a	100 - 1000	24
b	1001 - 2000	28
c	2001 - 3000	11
d	3001 - 4000	9
e	4001 - 5000	3
f	5001 - 6000	8
g	6000 +	8
	Total	**100**

TABLE 4 : CONSUMER PREFERENCE - FOOD COURTS

4.1	**Do you visit the food court the cream bar on every visit to the shopping mall?**	**Percentage**
a	Yes	88
b	No	12
	Total	**100**
4.2	**What is the kind of food you like to consume?**	No. of responses
a	Chinese	23
b	Non Veg	15
c	Cold Drinks	17
d	Coffee	9
e	Ice - Cream	8
f	Fast Food	50
g	Continental	3
h	South Indian	3
	Total	**100**
4.3	**Do you feel food at the malls is more expensive?**	**Percentage**
a	Yes	58

b	No	42
	Total	**100**
4.4	**Do you feel this cost is justified?**	**Percentage**
a	Yes	29
b	No	29
	Total	**58**
4.5	**Do you feel you are eating out more often now than a year back?**	**Percentage**
a	Yes	64
b	No	32
c	Same	4
	Total	**100**
4.6	**Do you feel this is due to the advent of malls?**	**Percentage**
a	Yes	51
b	No	10
c	Others (Jobs / Love food)	3
	Total	**100**
4.7	**Have you gained weight?**	**Percentage**
a	Yes	52
b	No	48
	Total	**100**

TABLE 5 : CONSUMER PERCEPTION : ON A RANKING OF 1-5

5.1	**Why do you come to the shopping mall?**	**Rank**
a	More Selection	3.29
b	Ambience	3.6
c	Sales Persons	3.2
d	Refreshments	3.6
e	Promotional Activities	3.2
f	Location	3.5

g	Convenience	3.3
h	Entertainment	3.2
5.2	**Why do you like to eat at the food court?**	Rank
a	More Selection	3.7
b	Atmosphere	3.6
c	Connivance	3.5
d	Save Persons	3.1
e	Quantity	3.8
f	Location	3.8

Recommendations :-

1- With the rise in number of people opting to eat at malls the food court is witnessing a radical growth in the number of visitors, however, the seating arrangement is constant, therefore it is essential for the mall manager to increase seating space. More than 40% of respondents have cited lack of seating space as a problem area.

2- The choice of brands for a particular mall should be apt and in congruence with consumer tastes and preferences, as they expect variety in every product category so they can choose across all segments. Shopping malls attract not only the up market consumers, but consumers from all strata of the society in all the segments. Consumers are becoming more brand aware and more than 70% of respondents believe big brands have a higher value proposition.

3- Amenities in the shopping mall: - When railway minister can ask for ATMs at railway station, then there is a lesson for mall managers to learn if they want their customers to freely spend. Along with ATM's, telephone booths, cyber dhabas and of course doctor on emergency and beauty parlor etc. should be provided.

4- To convert consumers into captive clients it is essential that better services, friendly sales people, quality food, prompt service and other facilities should be provided to the consumers in the food court. Only then will satisfaction translate into delight and increase in number of visits and spending will see a positive change over a period of time.

5- In order to allow the individual brands and retailers to have exhibition cum sale of events, shopping malls should have huge open space to organize events.

6- More than 50 % of the respondents felt that they have put on weight in the past one year due to eating out. With India having to battle an obesity crisis is a rise in awareness about the health hazards. Food outlets should also concentrate on providing healthy alternatives to the clients like salads, soups and other food items which contain less oil and spices.

References:-

1- Business World,2003 :- Some food for thought, Meera Seth (Pg. 12).

2- Images retail Pg. 36, July 2006, Vol 5.

3- The Mall Consumer of Chennai S.N. Soundara Rajan and Veena Yamini Pg. 39 Marketing Mastermind October 2006.

QUESTIONNAIRE

Good ______________ ,We are conducting a survey to find out the change among consumers since the advent of shopping malls. I would like to ask you for some information.

Male ____________________ Female ___________________________

Q1. How many times a month do you come to the shopping mall?

Less than once a month
Once a month
Twice a month
Thrice a month
Four times a month
More than four times a month
Every alternate day
Every Day

Q2. Whom do you come with ?

Friends Colleagues Family Others _________________________

Q3. Which store/ place do you go to the most?

Accessories
Apparel
Theatre
Footwear
Home Improvement
Electronics
Restaurant
Gifts
Stationary
Big Bazaar
Others ____________

Q4 Why do you come to the shopping mall? Kindly rate on the following parameters

More Selection	1	2	3	4	5
Atmosphere/ Ambience	1	2	3	4	5
Convenience	1	2	3	4	5
Sales Persons	1	2	3	4	5
Refreshments	1	2	3	4	5
Entertainment	1	2	3	4	5
Promotional Activities	1	2	3	4	5
Location	1	2	3	4	5

Q5. Which are the major brands you are aware of?

1.____

2.____

3.____

Q6. Do you feel you are more aware of brands since the opening of the shopping malls ?
Yes ____________________ No ____________________

Q7. Do you feel that big brands offer more value for money?

Yes ____________________ No ____________________

Q8. Have you bought any branded item from the shopping mall in the past one year ?

Yes ____________________ No ____________________

Q 9 Which are the brands that you have bought?

____

Q10. What is the approximate cost of the item you purchased?

Less than 1000
1000 > 5000
5000 >10,000
10,000 > 50,000
More than 50,000

Q11. What is the amount you approx spend on one visit? MULTIPLY WITH NO. OF VISITS PER MONTH

Q12. So, you spend Rs. ____________ per month on your visit to the mall ?
Yes No
IF NOT, then ask for an approx amount.
Less than 5000
5000> 10,000
10,000> 25000
25,000> 50,000
50,000 +

Q 13 Every time you visit the shopping mall, do you visit the food court / coffee / ice cream bar / restaurant?
Yes ____________________ No ____________________

Q 14 What is the kind of food / beverage you like to consume?

____

Q15 Why do you like to eat at the food court? Kindly rate according to attribute where 1 is lowest and 5 is highest

More Selection	1	2	3	4	5
Atmosphere/ Ambience	1	2	3	4	5
Convenience	1	2	3	4	5
Sales Persons	1	2	3	4	5

Quality	1	2	3	4	5
Location	1	2	3	4	5

Q 16 Which are the brands you prefer at the food court ?
Local (Royal café, Tundey kebab)
National (Barista, Wimpys)
Multinational (Mc Donald's, Pizza Hut)

Q 17 Why do you prefer?

____

Q 18 Do you feel food at the malls is more expensive? Y N
IF YES, Do you feel this cost is justified? Y N

Q 19 Where do you prefer to eat out?
In the mall Restaurants, not at mall
Roadside vendors others ____________________

Q 20 Do you feel u r eating out more often now than an year back?
Yes No
IF YES
Do you feel this is due to the advent of malls?
If not, then ask reason

Q 21How much more frequently do you feel you are eating out as compared to last year?
Twice as much
Thrice as much
Or specify ___________________________

Q 22 Do you feel you have gained weight in the past one year?
Yes No
IF YES
Do you feel eating out is responsible for this?

Q 23 What are your recommendations for the improvement of food outlets / food court / shopping mall?
I would now like to ask you some personal questions
Q 24 What is your age ?
Less than 25
Between 25 and 30
Between 30 and 40
Between 40 and 50
Between 50 and 60
Above 60

Q 25 What is your profession?

Student
Business
Professional – Sales
Professional – Doctor, Lawyer
Professional – Academics
Government Employee
housewife
Others ______________________

Q 26 What is your approx monthly income

- Upto Rs. 10,000
- 10,000 – 20,000
- 20,000 – 30,000
- 30,000 – 40,000
- Above 40,000