What determine shoppers’ preferences for malls in an emerging market?

Justin Paul

Abstract
Purpose – The entry of multinational firms is likely to increase competition and provide better deals to consumers in emerging markets such as India, China and Brazil. In this context, this paper aims to examine the factors determining the consumers’ preferences for shopping at large malls in an emerging market as compared to small outlets (in particular, young consumers’ preferences).
Design/methodology/approach – The present study is based on a survey of 200 consumers at large retail malls in India, the second-fastest growing emerging market.
Findings – The findings suggest that mostly young consumers prefer to shop in large malls because of the availability of the latest, well-known brands and discounted prices, which implies that service quality is not a primary factor.
Originality/value – The author posits theoretical propositions to stimulate further research. The insights from the study would be useful for strategic marketing for retailers.
Keywords Shopping, Malls, Family decision-making, Quantitative methods
Paper type Research paper

1. Introduction
The volume of business of international retailers has increased substantially throughout global service markets, with the discount store as one of the fastest-growing retail formats (Jin and Kim, 2003). The “price” is seen as one of the most important consumers’ shopping preferences. Over the past years, price wars have emerged among retailers. Especially, grocery retailers operate on very low margins and are pressurized both by competition and consumers (Paul et al., 2016). In times of intensive competition, it is important for retailers to focus on profitable and successful pricing strategies (Fassnacht and El Husseini, 2013). On the other hand, Haans and Gijsbrechts (2011) find that deeper discounts or quantity-based promotions do not systematically generate larger or smaller absolute sales bumps in large stores in developed countries such as Holland. In contrast, for in-store displays and features, there is a clear positive link between store size, in-store display’s features and increase in sales. They also found that quality of services and products is important. In this context, this study seeks to examine whether the consumers prefer large organized malls for shopping in an emerging market. We aim to find out the reasons for this type of buying behavior and list out the factors that are likely to result in sales bumps in large malls based on the data from India.

In emerging markets, the traditional small shops were very popular until the past decade because of their proximity to shopper’s home and the abundance of this type of small store. Malls that have been set up in recent years are likely to affect the existence of small retailers in emerging markets. Modern malls are large, carry more inventory, have a self-service format and are located in prime places. Both multinational firms and big domestic players have set up hundreds of large malls in emerging countries during the past two decades. A mall is the largest form of organized retail present today. Malls in India are located mainly

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in metro cities, in proximity to urban outskirts and range approximately from 60,000 to 70,000 ft² and above (Singh, 2013).

Populous countries such as India and China have large numbers of small retail outlets, compared to the small numbers of large outlets found in Western countries (Paul, 2010; Singh, 2013). India has the highest density of retail outlets among all countries in the world. However, a successful entry into India implies that entry into a market with more than one billion people and a predominantly unorganized retail sector. This requires strategic planning and a thorough understanding of the nuances of this complex market. This is compounded by the fact that the population of India represents a number of cultures, religions, races and tongues. India is the second most populous country in the world with over 1.22 billion people; more than one-sixth of the world’s population. After agriculture, the retail sector is the largest source of employment in the sub-continent (Kapoor et al., 2011). Some of the factors which have contributed to the growth of organized retail in India are an increase in the purchasing power of people, rapid urbanization and an increase in the number of working young people. The organized retail sector has emerged as a high growth sector in countries such as China and India. However, there are not many remarkable research studies in the context of those emerging countries in this area. Therefore, we seek to fill the gap.

This paper is divided into seven sections. Section 2 deals with the academic literature. Research objectives and hypothesis are specified in Section 3. Methodology has been discussed in Section 4. Section 5 is devoted to results and discussion. The conclusions are given in Section 6, and directions for future research are put forward in the last section.

2. Review of literature and theoretical models

2.1 Review of empirical studies

Much of the literature on this topic has focused on the determinants of consumer behavior in organized retail sector such as malls. Both the utilitarian and hedonic shopping values play important roles in the customer’s lifestyle while shopping from malls in India (Kesari and Atulkar, 2016). Quinn and Alexander (2002) articulate that international retailing is an important part of the global distribution system because of changing socio-economic patterns, favorable political and cultural environments and a shift from manufacturing to service-based economies. Rosenbaum et al. (2016a) find that experiential investments do not result in significant favorable shopper outcomes in malls in an emerging country, based on the sample collected from an expensive mall in Columbia. Mall shoppers who perceive restorative qualities hold favorable attitudes and exhibit positive behavior toward the shopping centre (Rosenbaum et al., 2016b). Roy Dholakia (1999) analyzes the impact of changing social pressures on shopping among married households in the USA. The key constructs which determined shopping responsibility among household members were sex and shopping context. The emotions and shopping value reactions, in turn, mediate the effect of spatial crowding on shopping satisfaction (Eroglu et al., 2005). Farrag et al. (2010) identified seven motives for shopping at malls, i.e. three functional (safety, bargain hunting and convenience) and four hedonic motives (entertainment, freedom, appreciation of modernity and self-identity). Cho and Menor (2011) conclude that managers should understand the inter-relationships, which might exist among the resources that influence the performance of small retailers.

Attitude functions (knowledge, value expressive, social adjustments and utilitarian) can help explain and predict inter-purchase intervals and repeat purchases of consumer durable goods (Grewal et al., 2004). In this context, it is worth noting that the concept of mass customization has captured the attention of researchers in the recent past (Simonson, 2005; Dellaert and Strømersch, 2005; Randall et al., 2007). Franke and Schreier (2007) found that in addition to the significant effect of aesthetic and functional fit, the perceived uniqueness of a self-designed product contributes independently to the utility of customer
experiences at malls. This effect moderates the consumers’ need for uniqueness. Evanschitzky et al. (2010) establish that the relationship between customer satisfaction and customer purchase intentions is almost twice as strong when employees are satisfied as when they are not. Grandey et al. (2011) suggest that in busy stores, employee attitudes:

- are less likely to be emotionally expressed by employees and “caught” by customers; and
- are less likely to emerge as extra-effort performance when compared to slow stores.

Sigurdsson et al. (2013) found that marketing mix Ps, particularly place (placement) factor, affect consumer buying behavior in retail stores to a large extent, while we focus on price versus non-price factors in this study. Consumers sometimes recognize that contextual factors may influence their judgments and decisions (Houghton et al., 1999). Taking into account those kinds of contextual factors, such as time, proximity and top-of-mind memory, Paul and Rana (2012) suggest that retailers should develop effective marketing programs and strategies to influence young consumers positively. Similarly, in a related study, Kuruzovich et al. (2013) point out that vendors offering both IT products and services under one roof receive higher customer satisfaction and loyalty ratings. Based on this, they find that more people prefer to shop from large malls because of the availability of all items under one roof or one place with new products and brands.

Shopping motives may be a function of cultural, economic or social environments in a country. Researchers and practitioners assume that the primary motive of discount store shoppers is functional, and they seek value for the money (Jin and Kim, 2003). Baltas et al. (2010) demonstrate that store patronage is affected by variables such as customer income, satisfaction and expenditure that are suggestive of heterogeneous cost-benefit tradeoff and opportunity cost of time. It is shown that customers are intrinsically different in the predisposition to being loyal. Favorable sound qualities and favorable stereotypical associations with the dialect also raise satisfaction with the salesperson.

2.2 Review of theoretical models and frameworks

There are notable theoretical works in the area of shopping, shopping behavior and malls. 2.2.1 Conceptual framework by Woodruffe-Burton et al. (2002). Woodruffe-Burton et al. (2002) developed a conceptual framework to explain the factors that influence the shopping behavior, which incorporates relevant marketing and consumer research literature.

2.2.2 Time orientation, impulsiveness and prudence model (Karande and Merchant, 2012). Karande and Merchant (2012) proposed a model in which the consumers’ time orientation (past, present and future) influences planning orientation (impulsiveness and prudence). In turn, this affects the consumers’ recreational shopper identity and specific shopping behaviors such as time and amount spent. The findings from their structural equation modeling indicate that present time orientation influences impulsiveness and prudence, whereas past and future orientations only influence prudence.

2.2.3 Spatial, demographic and attitudinal effect in retailing. Trivedi (2011) found that retailers would benefit from understanding the spatial, demographic and attitudinal effects that play into consumption behavior. Such effects can be better understood by studying choice at the category and regional levels. The ascendancy of the shopping mall as a significant shopping, social interaction and/or entertainment destination has had a major impact on retail strategies and the retail landscape in numerous countries, especially the USA. However, shopping malls are not nearly as well established in emerging countries. Hence, Ahmed et al. (2007) assess international consumer behavior in regard to shopping
malls in a non-Western emerging country, Malaysia. They reported that Malaysians are motivated to visit malls primarily by the interior design of the mall, availability of products that interest them, opportunities for socializing and convenient one-stop shopping.

2.2.4 Value-attitude-behavior model (Cai and Shannon, 2012). Personal values are important determinants of consumer behavior. Cai and Shannon (2012), by adopting a value-attitude-behavior (VAB) model, examine what and how personal values influence consumers’ mall shopping behavior in two non-Western countries, namely China and Thailand. The results confirm the existence of the causal flow of VAB. Chinese shoppers are guided by self-transcendence and self-enhancement values, whereas Thai shoppers are guided by openness to change values.

2.2.5 Conceptual model for international retailing (Warden et al., 2012). Western retail managers struggle to understand local retail values in countries such as China (Warden et al., 2012). They show how everyday products can be purely functional (global) at one time but embedded with symbolic meaning (local) at another, thereby confounding international retailers and researchers. They present a conceptual model that clarifies the marketing metaphor of “alignment” for retailers targeting Far East Asian markets.

2.2.6 Nine-item model for retail positioning (Siebers et al., 2013). Siebers et al. (2013) show a nine-item model for customer-oriented retail positioning (perceived price, store image, product, shopping environment, customer service, payment process, after-sales service, store policies and shopping convenience) based on the sample data from China, an emerging market. Their results show that different retail formats could achieve success through the implementation of this type of positioning strategy.

2.2.7 Customer perceived value of malls measure development (El-Adly and Eid, 2016). El-Adly and Eid (2016) show that the mall environment is an antecedent of the customer perceived value of malls (MALLVAL) and customer satisfaction. MALLVAL has a significant positive effect on both customer satisfaction and customer loyalty to malls. Besides, MALLVAL and customer satisfaction mediate the relationship between the mall environment and customer loyalty. Finally, customer satisfaction mediates the relationship between MALLVAL and customer loyalty to malls.

2.3 Summary

Researchers have investigated the determinants of customer behavior, satisfaction and loyalty patronage behavior with reference to mall shopping and proposed models and strategies for the success of retail stores (Kunkel and Berry, 1968; Stanley and Sewall, 1976; Osman, 1993; Finn and Louviere, 1996; Bloemer and de Ruyter, 1998). Their findings indicate that the customer service and store image, as well as other similar variables, are crucial for the success of retail stores. Molina et al. (2009) investigated the effects of consumer service on loyalty in retail stores in Spain. They conducted empirical analysis to examine the relationship between waiting time, product quality, store atmosphere and loyalty. Their results provide support, suggesting that consumer service through those dimensions influences loyalty.

Similarly, Davis (2013) explored Chinese consumers’ shopping experiences and revealed key retail factors that affect local consumers’ shopping experiences, such as atmospherics, store design, social environment, customer services and merchandise elements. Their findings suggest that Chinese consumers have become more westernized, and the shopping experience has become important for them. Turley and Milliman (2000) perceived retail crowding and also termed perceived crowding or crowding in the literature on retailing as an important element of store atmospherics. Their study has attracted attention under the social factor or human variable of store atmospherics. They also looked at the role of other stimulus factors such as scent, sound and light on customer affect, cognitions, and thence the effects on purchase behaviors. Nicholls et al. (2001) examined
the behavioral differences and similarities among shoppers in large malls in Chile and the USA. They found that a majority of Chileans visited the mall with a prepared plan and made shopping accordingly, while USA shoppers were more spontaneous.

Das (2014) reveals that both retail brand personality and self-congruity constructs have positive impacts on store loyalty, and that gender significantly moderates these impacts. Singh and Prashar (2014) identify ambience, convenience, marketing focus, safety and security and physical infrastructure as the factors vital for defining shopping experiences at the malls in Mumbai, India. Though there are recent attempts to investigate the determinants of consumer behavior at retail malls in the fastest-growing emerging markets such as China and India (Li et al., 2004; Dholakia and Talukdar, 2004; Subrahmanyan and Gomez-Arias, 2008; Singh and Prashar, 2014, etc.), there is still a gap in the literature. Most of the studies undertaken in the past have been focused on non-price factors. Besides, the gravitational approaches and linear regression models, which are commonly used in this research area, cannot sufficiently explain the impact of factors on the choice of shopping centers (De Juan, 2004). Therefore, we seek to fill this gap by taking into account the price and non-price factors simultaneously.

3. Objectives, hypothesis and methodology

3.1 Objectives and hypothesis

Haans and Gijsbrechts (2011) found that deeper discounts and promotions do not generate sales bumps in malls in developed countries such as Holland. Based on this, the goals of this paper are:

- to examine what segments of consumers prefer large malls in an emerging market (following Li et al., 2004; Dholakia and Talukdar, 2004; Singh and Prashar, 2014);
- to examine the rationale why young consumers prefer malls for shopping in an emerging market and list out the factors influencing shopping at large malls (Based on Haans and Gijsbrechts, 2011; Trivedi, 2011); and
- to find out whether the findings of Haans and Gijsbrechts (2011) hold true in an emerging country.

Following the prior research (Dholakia and Talukdar, 2004; Haans and Gijsbrechts, 2011; Trivedi, 2011), the hypotheses have been framed and specified below for the meaningful analysis and interpretation of the primary data. On the basis of hypotheses listed below, the rest of the paper proceeds with the methodology, results, discussion and conclusion.

**H1.** Consumers prefer shopping in large malls in an emerging country mainly because of the availability of latest brands, varieties and discount.

**H2.** Buyers are more likely to be price-sensitive in an emerging country than pro-service and pro-quality.

3.2 Research design

Our survey was conducted in ten malls (Ansal [Greater Noida], GiP, Centre Stage, Ritu, & Senior [Noida], V3S, Vishal, Big Bazar, Easy Day and Shoppers Stop [GZB]) of Delhi and NCR regions in India. We selected this region for our study as many multi-national retailers have set up large malls in the region during the past decade. Following Joy and Dholakia (1991; Haans and Gijsbrechts, 2011; Cai and Shannon, 2012), we decided to design our own structured questionnaire based on the questionnaires used in the previous studies through simple random sampling method with the consumers. To understand the main factors determining the mall shopper’s satisfaction, following prior researchers (Khare, 2011; Paul et al., 2016), we decided to run factor analysis. Factor analysis is appropriate to specifically understand the determinants of shopper
satisfaction. SPSS 24 software has been used for the factor analysis. Principal
component analysis was carried for extraction of attributes to 16 from 31. Kaiser–
Meyer–Olkin (KMO) test has been used for data adequacy. A factor with a minimum
loading of 0.5 shall show the need of retention. Only those factors having eigenvalue
more than 1.0 have been retained as they are considered significant. An eigenvalue
represents the amount of variance associated with the factor.

3.3 Sampling design
Following prior research (Cai and Shannon, 2012; Prashar and Singh, 2014), the data
are drawn through direct interviews conducted just outside the malls. For our analysis,
the sample was selected in such a way (stratified sampling) that both gender and young
consumers were represented proportionately. Questionnaires were distributed among
the respondents selected through convenience sampling. Data analysis shows that out
of 200 respondents, 120 (60 per cent) were male and 80 (40 per cent) were female
(Table I). We classified the respondents based on their educational qualifications as
respondents with high school background, graduates, post-graduates and others.

4. Results and discussion
This section is classified under two sub-titles: hypothesis testing and factor analysis.

Results reported in Table II show that more educated people (respondents with graduate
degrees) prefer shopping from malls rather than buying from small stores.

Similarly, we classified the respondents with reference to age groups. Respondents in the
age group of 20-25, 25-30, 30-35, 35-40 and above 40 for comparing the shopping
preference pattern. The results reported in Table III show that young consumers
(specifically 25-30 age groups) prefer shopping in malls.

Table III shows that young consumers (in particular, 25-30 age group) prefer shopping in
malls.

Following the pattern of Tables II and III, the summarized score for the question “Do you
prefer to shop at big malls because of discount on latest brands and variety of products?”
is given in Table IV.

<table>
<thead>
<tr>
<th>Table I</th>
<th>Profile of respondents: gender</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
</tr>
<tr>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>120</td>
</tr>
<tr>
<td>Female</td>
<td>80</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table II</th>
<th>Qualification of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>Below 10 + 2</td>
<td>17</td>
</tr>
<tr>
<td>Graduate</td>
<td>56</td>
</tr>
<tr>
<td>Post graduate</td>
<td>120</td>
</tr>
<tr>
<td>Others</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
</tr>
</tbody>
</table>

Note: Table II shows that more qualified persons prefer purchasing from malls.
4.1 Hypothesis testing

4.1.1 H1. As mentioned earlier, H1 is:

H1. Consumers prefer shopping from large malls mainly because of discounts, the availability of latest brands and varieties of products.

As the calculated Z value (0.89) is less than the critical value at a 5 per cent level of significance, the hypothesis is accepted. The results reported in Table V also show both male and female respondents agreeing that malls keep varieties of latest brands and offer discounts.

The proposition in Table V shows that the mean score of the male respondents (2.34) is slightly higher than that of female respondents (2.26). It means that males are more in favor of the idea that “people shop at large malls because they offer discount and the latest brands”. However, Z score (0.89734) has been found to be less than 1.96 at the 5 per cent level of significance. It reflects that there is no statistically significant difference in the opinion of both male and female respondents for the above statements.

4.1.2 H2. Here, we report the statistical results of test of H2.

H2. Buyers are more likely to be price sensitive in an emerging market (see Proposition 2 in Table V) than pro-service and pro-quality.

### Table III. Proportion of people preferring shopping at large malls

<table>
<thead>
<tr>
<th>Valid</th>
<th>(%)</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;20 years</td>
<td>11</td>
<td>5.5</td>
<td>5.5</td>
</tr>
<tr>
<td>20-25 years</td>
<td>43</td>
<td>21.5</td>
<td>21.5</td>
</tr>
<tr>
<td>25-30 years</td>
<td>71</td>
<td>35.5</td>
<td>35.5</td>
</tr>
<tr>
<td>30-35 years</td>
<td>53</td>
<td>26.5</td>
<td>26.5</td>
</tr>
<tr>
<td>35-40 years</td>
<td>15</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>&gt;40 years</td>
<td>7</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### Table IV. Summary of answers–Do you prefer shopping in malls because of discount and availability of latest brands and varieties?

<table>
<thead>
<tr>
<th>Valid</th>
<th>(%)</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>45</td>
<td>22.5</td>
<td>22.5</td>
</tr>
<tr>
<td>Agree</td>
<td>114</td>
<td>57.0</td>
<td>57.0</td>
</tr>
<tr>
<td>Don’t know</td>
<td>24</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>4</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

### Table V. Reasons (propositions) for shopping at large malls

<table>
<thead>
<tr>
<th>Serial no.</th>
<th>Statements</th>
<th>Mean value</th>
<th>Out of (maximum 1 to minimum 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1</td>
<td>Mostly people shop from the malls because they offer incentive schemes and discount on latest brands and varieties</td>
<td>2.34</td>
<td>2.26</td>
</tr>
<tr>
<td>2</td>
<td>Buyers are price conscious in an emerging market</td>
<td>1.84</td>
<td>2.05</td>
</tr>
</tbody>
</table>
Exposure to prices can take place in a variety of ways such as in the store itself, reading through stores’ advertisements, flyers and catalogs or shopping on a store’s website. As shown in Table V, the estimated Z score (1.59) has been found to be less than 1.96 (table value) at the 5 per cent level of significance. As the estimated Z value is less than the critical value, we accept the hypothesis.

We posit two propositions for the indicators of quality (Table VI). For the first proposition – “Large Malls (retailers) offer quality and hygienic products in comparison to traditional small shops” – the response-based score shows that mean score of the male (1.93) is slightly less than that of female respondents (2.30). It means males are more in favor of the idea “Large retailers offer quality products in comparison to traditional small shops”. However, Z score (2.24864) has been found to be higher than 1.96 at the 5 per cent level of significance. It reflects that there is a statistically significant difference in the opinion of male and female respondents.

For the second proposition, “Large Retailers in malls offer hygienic products in comparison to traditional small shops”, the results reported show that the mean score of the male respondents (2.12) is slightly higher than that of females (2.05). They also show that male respondents are more favorable for the “[. . .] large malls offer hygienic products in comparison to traditional shop” statement. However, Z score (0.386953) has been found to be less than 1.96 at the 5 per cent level of significance. It reflects that there is no statistically significant difference in the opinion of male and female respondents.

4.2 Factor analysis

The survey responses of the mall shoppers were factor-analyzed to get the results. The principal component analysis was used as an extraction method. This procedure short-listed 16 attributes for factor analysis out of the 31 attributes. A factor with a minimum loading of 0.5 was retained. KMO test shows that the sample has good adequacy for further analysis, and Bartlett’s test of sphericity indicates the presence of some shared variance among the 16 items. The KMO score is above 0.50 (0.731), and Bartlett’s test is significant ($\chi^2 = 1,071.974$). The Cronbach alpha coefficient is an indicator of internal consistency of the scale. That is $0.825 > 0.500$, and indicates more reliability (Tables VII and VIII).

The result indicates that there were 6 factors which explain 70.76 per cent of the total variance (Table X) out of the 16 factors extracted through principal component analysis. Accordingly, six variables are drawn, which in total account for more than 72 per cent of the variance accounted for by the factor. Individual variance of different factors

<table>
<thead>
<tr>
<th>Table VI</th>
<th>Indicators of quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serial no.</td>
<td>Statements</td>
</tr>
<tr>
<td>1</td>
<td>Large retailers offer service and product quality in comparison to traditional small shops</td>
</tr>
<tr>
<td>2</td>
<td>Large malls offer hygienic products in comparison to traditional small shops</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table VII</th>
<th>KMO and Bartlett’s test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser–Meyer–Olkin measure of sampling adequacy</td>
<td>0.731</td>
</tr>
<tr>
<td>Bartlett’s test of sphericity</td>
<td>$\chi^2 = 1,071.974$</td>
</tr>
<tr>
<td>Df</td>
<td>120</td>
</tr>
<tr>
<td>Significance</td>
<td>0.000</td>
</tr>
</tbody>
</table>
reveal that factor 1(V1) – *escalation dimensions* – has caused the highest (29.18 per cent) variance in the respondents, and factors 2(V2) (*attraction*), 3(V3) (*strategies*), 4(V4) (*eye catching*), 5(V5) (*promotional dimension*) and 6(V6) (*competition*) had 11.90, 8.92, 7.42, 6.82 and 6.421 per cent variance, respectively. It can be inferred that those factors have considerably influenced the consumer behavior of the sample in that order (Tables IX and X).

5. Conclusions

The important insights from this study can be summarized as follows.

- We found that the success of an organized retail mall and the resultant growth of the retail sector in an emerging market such as India would depend primarily on the following factors: escalation dimension and pricing strategies including discount, eye catching design and competition. These are the dominant factors which play an important role in the growth of the organized retail sector such as malls. It was also found that customers mostly prefer to shop in malls because of the availability of well-known and latest brands and varieties of products at discounted prices.

### Table IX Analysis of variance (ANOVA)

<table>
<thead>
<tr>
<th>Sum of squares</th>
<th>Df</th>
<th>Mean square</th>
<th>F</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between people</td>
<td>916.83</td>
<td>199</td>
<td>4.60</td>
<td></td>
</tr>
<tr>
<td>Within people</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between items</td>
<td>225.01</td>
<td>15</td>
<td>15.00</td>
<td>18.59</td>
</tr>
<tr>
<td>Residual</td>
<td>2,408.17</td>
<td>2,985</td>
<td>0.81</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,633.18</td>
<td>3,000</td>
<td>0.88</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,550.02</td>
<td>3,199</td>
<td>1.11</td>
<td></td>
</tr>
</tbody>
</table>

Note: Grand mean = 2.2778

### Table X Total variance explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Total</th>
<th>% of variance</th>
<th>Extraction sums of squared loadings</th>
<th>Rotation sums of squared loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>% of variance</td>
</tr>
<tr>
<td>2</td>
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Note: Extraction method: principal component analysis
Our findings do not corroborate with those of Haans and Gijsbrechts (2011), who argue that deeper discounts or quantity-based promotions do not systematically generate larger or smaller absolute sales bumps in large stores. This could be because of differences in the country context, i.e. their findings are based on data from Holland, a developed country. Our argument, however, is based on data from customers shopping at large malls in India, a developing country. Nonetheless, we found evidence to support the proposition given by Trivedi (2011), who concluded that retailers would benefit from understanding the spatial, demographic and attitudinal effects that play into consumption behavior.

The entry of multinational players is likely to increase competition and give consumers a better deal in both prices and choices. Mega retail chains try to keep price points low and attractive – that is the unique selling proposition of their business. Smart procurement and inventory management help them do this.

We also found that compulsive buyers possess greater knowledge of store prices are more brand conscious and prestige-sensitive in comparison to non-compulsive buyers.

An interesting supplement to the present research would be an in-depth study of compulsive buyers, focusing on their shopping experiences and the best options they have ever obtained, as well as their motivations and justifications for buying products on price promotions. Further research could also explore whether compulsive buying is product- or product-category specific or if it is a more generalized consumer behavior.

6. Limitations and directions for future research

This study is not without limitations. The main limitation is the small sample size of 200 mall shoppers. Considering that there are several studies published in A category journals that used factor analysis with less than 300 sample size (for instance, Keller, 2005; Khare, 2011; Paul et al., 2016), this need not be regarded as a major constraint.

Our literature review showed that there are lot of opportunities for future research in the area of retailing and consumer services, particularly in the context of malls in developing countries, as most of extant research has focused on developed countries.

It is important to say that future researchers can use one of the theoretical models such as VAB model or MALLVAL measure highlighted in the literature review section and test that model using empirical data. We also call for wider research on different target segments to see their preferences for malls in an emerging market. Comparison with previous years can be done, and also comparison across different emerging economies can be done.

Based on our findings, we put forward the following theoretical propositions to stimulate further research in this area. Researchers may test these propositions as hypothesis in a single country setting or carry out comparative studies in future.

P1. The factors motivating consumers to shop at large malls could be different in developing countries than in developed countries.

P2. Customers in an emerging country such as India are more price-sensitive or price-elastic.

P3. A more appropriate strategic planning and implementation would increase the likelihood of success for multi-national firms in developing countries in the retail sector.

References


Further reading


About the author

Justin Paul is a Full Professor with the University of Puerto Rico, San Juan, PR, USA. He has served as a faculty member with the University of Washington and Nagoya University of Commerce & Business (Japan), prior to his position with the University of Puerto Rico, USA. He is on the editorial board of Journal of Academy of Marketing Science, Journal of East-West Business, Review of International Business & Strategy and Journal of Retailing and Consumer Services and a regular reviewer for Journal of World Business, Journal of Services Marketing, etc. He served as Department Chairperson at Indian Institute of Management (IIM) and has taught full courses at Vienna University of Economics & Business, Aarhus University (Denmark), Grenoble Ecole de Management-France, Universite De Versailles (France), ISM University(Lithuania), SP Jain (Dubai) and Warsaw School of Economics (Poland). He has also published over 40 research papers in reputed journals and four case studies with Ivey & Harvard. He is known as an author/co-author of text books titled Business Environment, Services Marketing, International Marketing, International Business (sixth edition) and Export-Import Management (second edition) by McGraw-Hill, Pearson and Oxford University Press, respectively (published from India). Justin Paul can be contacted at: profjust@gmail.com

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