

# STUDY ON GROWTH OF RETAIL MARKETS IN INDIA WITH SPECIAL REFERENCE TO BROADENING OF SHOPPING MALLS CULTURE IN GHAZIABAD CITY (U.P)

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**Abstract:** The Indian Retail Industry is one of the pillars of the economy. In India, the wide Retail Markets are available. India has emerged as the hottest retail destination and the Indian retail Industry estimated to be 1.6 Trillion by 2021. The growth of Indian organized retail market is mainly due to the change in the consumer behaviour. This change has come in the consumer due to the increased income, changing life styles and pattern of demography which are favorable. Due to rapid retail hot Shopping destinations in new life style, variety of Shopping Malls have been emerged, which is covering all the areas from Metro Cities to small towns of India. Shopping Malls have become popular now a days because of their enormous size and they arrange all things along with entertainment at one place at cheaper rates. Thus they can easily attract the middle class consumers at their side. Our study is on the Shopping Malls that have recently come up in a Ghaziabad City. It was delighting to study the Shopper's attraction and their views which concluded with a positive move on Shopping Malls culture in Ghaziabad.

## INRODUCTION:

Retail Industry in India is at the cross roads. It has emerged as one of the most dynamic and fast paced industries with several players entering in the market. The data revealed that organized retail penetration in India is low (8 – 10 percent) in 2017 compared with other countries such as the US (85 percent). This indicates strong growth potential for organized retail in India in 2020, it is estimated that organized retail penetration share would reach up to more than 20% consumers also have gained from organized retail on multiple counts. Thus Indian retail sector is highly fragmented as compared to the developed as well the other developing countries.

## PURPOSE OF THE STUDY;

The purpose of the study is to know about the growth of the retail sector in India with special study on the Shipra Mall at Ghaziabad City and to know the consumers' sensitivity on the kind of Shopping. To know the behavior of customers on Shopping Mall culture of Ghaziabad.

## OBJECTIVES OF THE STUDY:

- To find out the adaptability of Shopping Mall culture in Ghaziabad.
- To analyze the consumer behaviour in the Ghaziabad City regarding Mall Culture.
- To study the benefits accruing to the Indian Consumer through Shopping Malls.
- On the basis of research study, draw Conclusion and make Suggestions for the development of Indian Retail Trade.

## RESEARCH METHODOLOGY:

**Hypothesis:** Consumers prefer to buy goods & commodities from organized markets especially in Shopping Malls due to availability of all facilities, amenities, quality and variety of products.

**Data Collection:** The data has been collected both from Primary as well as Secondary sources. The Primary data has been collected by means of a Questionnaire & through Personal Interviews **Sample Size:** 100 Respondents

**Population:** Major respondents included youth between the age of 16-25 years & the next category covers the married couples with small children & the few were adults above 40 years.

**Methods & Tools Used:** Case Study Analysis, Questionnaire, Personal Interviews & Social Networking Sites.

**Present Scenario** Retailing in India is witness to the boom in terms of modern retailing formats, Shopping Malls etc. The future of retailing for any product across the country will definitely be in Shopping Malls where the consumer can get –

- Variety
- Quality
- Facilities
- Atmosphere

## RETAIL IN INDIA – THE FUTURE:

Indian Retail one of the fastest growing markets in the world due to economic growth. Retail market in India is projected to grow from US \$672 billion in 2017 to US \$1.6 trillion in 2021. India's modern retail to double in size over the next three years. As the market becomes more and more organized, the Indian retail markets will gain greater worth. The retail sector in the small areas to big cities will increase by 60% to 70% pertaining to easy and inexpensive availability of land and demand among consumers. India is among the highest in the world in terms of per capita retail store availability. India's strong growth

fundamentals, along with increased urbanization and consumerism, offer immense scope for retail expansion for other strong foreign players also.

Factors that are playing a role in fuelling the bright future of the Indian retail are as follows –

- The income of an average Indian is increasing and thus there is a proportional increase in the purchasing power.
- The infrastructure is improving greatly in all regions is benefiting the market.
- Indian economy and its policies are also becoming more and more liberal making way for a wide range of companies to enter Indian market.
- Indian population has learnt to become a good consumer and all national and international brands are benefiting with this new awareness.

Currently, Indian has one of the largest numbers of retail outlets in the world.

**Indian Retail Landscapes**

Year	\$Billion Retail Growth
1998	201
2000	204
2002	238
2004	278
2006	321
2008	368
2011	392.63
2014	674.37
2015	865
2016	932.96
2017	1595

**Source:** BMI Indian Retail Report

#### **EMERGENCE OF SHOPPING MALLS IN INDIA:**

Introduction of Shopping Malls has not been able to replace traditional markets which are still popular among the pocket conscious people, but has definitely added a new adventure to the Shopping experience to the customers. Without any doubt, the mall culture has gripped Indians and they seem love every bit of it. Crowded streets, traffic congestion and mob of people flooding a chic looking building is a popularly visible scenario every Sunday. This brings to light that people's perception has completely changed towards Shopping. Congenial atmosphere, world class entertainment, international brands, basic amenities and exotic cuisines is what the Shopping Malls aspire to provide under one roof. People are welcoming this new trend with open arms, unaware of what just be its consequences. Moreover, sales and bargain deals, attractive prices and schemes are the success formula, the shop keepers are trying to cash in, on customers. This has made Shopping Malls a mega hit amongst the metro crowd, putting fuel to their ever increasing demand for a better living. This is a result of the expanding Indian market and disposable incomes by the service class.

As an alternative Apart from being the shopper's paradise, Shopping Malls are also acting as good alternative, for the people to escape from the otherwise poor living conditions. This brings the flipside of the mall culture into sight which enforces that though Shopping is the modern mantra, people are looking for something more. Shopping Malls act as great refuge from the scorching heat of the sun, in summers, as all the Shopping Malls are centrally air conditioned for the purpose. Another reason for the Shopping Malls being so crowded is quite a number of people roams there harmlessly. Their purpose can be anything from a get together with friends to simply window shopping from buying popcorns to buying cards. This explains that hot weather, frequent and prolonged electricity and water cuts are some of the strong reasons why the common man is attracted towards the escalating shrines of consumerism.

**NCR Region:** Shopping Malls, the temples of consumerism are cropping up everywhere. These Shopping Malls have changed the way people are shopping. They are teaching them how to appreciate the good things of life. 'Comfort', 'Style', 'Convenience' and 'Cool' are the only some of the words used by the shoppers introduced to the mall culture. And no one is complaining. Not the mall owners, not the shop keepers and certainly not the marketing men and women of the big brands. Shopping Malls are the battle grounds where the brands, small, medium and big, the known, the not-so-well-known and the wanna-be ones, fight it out for the consumers attention. And the consumer is 'loving it' and asking for more. Yes, this is one culture that consumers are happy about. So happy that no one seems to mind 'the unplanned expenditure' incurred by an outing to such an enticing place. They enjoy air-conditioned comfort, availability of a range of merchandise under one roof and a one-stop family entertainment arena. While the consumer is slowing getting hooked on to the mall culture, the owners of the mall are hardly complaining. Actually, they are busy planning the erection of new Shopping Malls and the more the merrier seems to be the motto of the moment. Given the rate at which the Shopping Malls are coming, the commercial as well as residential real estate business is spiraling upwards. The range and scope of the economic activity generated from mall culture promises many things to many people. Other than offering shoppers more value for money, the scale of operations generates employment opportunities, direct and indirect, for thousands of people.

India was to have some 570 Shopping Malls, out of which nearly 24 were planned in Ghaziabad district, taking this revolution further. Now there is a new association of big brands that has come together to give brand loyalists something to cherish, aspire for and much, much more. Since Ghaziabad is listed as city of NCR. Our attempt was to find out the different Shopping Malls that have been planned here. A few amounts them are listed as follows:-

#### **List of Shopping Malls in Ghaziabad**

S.N	Name and Area	Year of Establishment
1	Shipra Mall, Ghaziabad (5 Lakh Sq.Ft.)	2007
2	Gaur Center Mall, Ghaziabad (87120 Sq.Ft.)	2015
3	East Delhi Mall, Ghaziabad (1,74,220 Sq. Ft.)	2012
4	World Square Mall, Ghaziabad (1,89,486 Sq. Ft.)	2014

#### LITERATURE REVIEW:

Our analysis included assessment of publications on the development of the Indian retail industry (www.indianground.com, 2016; Gupta, 2018; www.expresstextiles.com, 2018). These publications were mainly published between the years 2010 and 2018 in order to make sure that the most current industry and market activity were captured. Publications included popular Internet sites, industry publications, and reports by major retail houses. Other sources included blog spots and interviews of executive managers working in retail in newspaper publications like *Images India Retail Reports*, *Business Line* and *The Hindu*. The other major source of data collection is **Shopping Mall Culture** Magazines.

**KIRAN DAS** has clarified in one of his articles that people do not just go Shopping in Malls, but prefer to go for other reasons according to one of his articles, "It is true that the recession and inflation have forced people to stop Shopping on their own, but despite this, a crowd is full in the Shopping Malls of different cities of the country including Delhi, Mumbai are being seen nowadays. Indeed, the number of such people are more and they believed that there could be no better place than the such Shopping Malls place than such Shopping Malls for moving around and to spend the better time in the hot summer season.

The youth have chosen Shopping Malls for fun. In the Shopping Malls, in the food courts you will see a huge crowd of young people dying, shouting and enjoying there. It is not necessary to go to the shops to buy the goods; window shopping also has a different fun. These days people are more likely to be seen than those who are coming to the Shopping mall with the intention of picking up the goods, which in reality did not have to buy any luggage.

First people used to meet friends in a restaurant or park, but the trend has changed slightly now. Most Shopping Malls have a benches or sofas. There is no shortage of people who spend time with them on time.

Often, in cities like Delhi and Mumbai, for those reaching out to their acquaintances in cities like Delhi and Mumbai, Shopping Malls of these cities are just a place to visit. Such people can also be seen in a large number of Shopping Malls. "We live in a big city in Bihar and there is not a single Shopping mall like this," said **VIKAS OJHA**, who came to visit his family in a Shopping mall in Delhi. For us, Shopping Malls in Delhi are also not less than tourist spots.

Reduction of electricity is a relief to the people of the Shopping mall for the bereaved people. Those who live close to the mall often spend their time in the Shopping mall upon getting electricity, so that they get some rest from the heat in the summer season"

**YUVARANI (2010)** opines that according to a study the size of the Indian Retail market is currently estimated at Rs 704 corers which accounts for a meager 3% of the total retail market. As the market becomes more and more organized the Indian retail industry will gain greater worth. However, the future is promising, the market is growing, government policies are becoming more favorable and emerging technologies are facilitating operations.

**MR. BIJU KURIAN** who is a president and chief executive of Reliance life style and chairman of IRF said in his welcome address to the Retail delegates and Exhibitors came from abroad. "I have always believed that each person involved in the retail business or world's most attractive business retail destination contribution a stake in the development of India whether it's a Mall developer, or Mall manager and leasing consultant or retail product brand, retail marketers, retail designer, fixtures, manufacturer, logistic, service provider or management consultant. In the coming five years many changes about to come in our countries retail landscape and in it will hold your important contribution. He further said that this can be easily understood because it seems a majority in forum to provide backend support to the retail community by this year. There is a significant enthusiasm in professionals of retail IT, supply chain, logistics, retail security, design consultant and retail community looking to take best possible advantage by their mastery.

**PROF. SURJIT SINGH**, who is the director of the Institute of Development Studies, Jaipur. He said in an article published in India Today magazine that Malls are announcing attractive schemes to lure the consumers and taking support of local FM Channels tools to explore the same. On of the Indore's private channel executive said that we conducted one study at Indore in which we came to know that people who come to the mall out of them only 9% people purchase items or goods from the mall. While this figure is only 25% at shops in busy markets.

It would be wrong to proclaim Uttar Pradesh as a sick state if we talk about the modern markets influences in current environment. Earlier these multistory Malls were visible only in Ghaziabad, Noida, Kanpur, Lucknow and Varanasi: Now Allahabad, Gorakhpur and Bareilly is also not immune from them. It is right that investors having hesitation and they are not coming with an open mind, but investment is going on continuously. This is a very good indication that the large number of people are taking interest in making the big markets and Malls. The response of the consumers is also very encouraging. The whole Shopping is much easier for the people under the one roof at Shopping Malls.

**Case Study:** Description Amar Ujala Group, currently associated mainly with the print media, is developing a Shopping mall christened 'Shipra mall' at Ghaziabad in NCR. The Shopping mall comprises a building with 5 lakh sq. ft. basement plus ground plus four floors with 7 anchor shops, 100 retail shops, 4 screen multiplexes and food courts.

#### POSITIVE AND NEGATIVE IMPACT OF SHOPPING MALLS IN INDIA:

Shopping Mall culture is slowly and steadily growing in India. Many brands and private labels are launched in Indian market. The specialty of such Shopping Malls is that they offer a wide range of varied branded stuff, all under single roof. The buyers get an international Shopping experience in such retail outlets.

**Impact of Shopping Malls culture on retail Trade in Ghaziabad district**

Positive Impact	Negative Impact
<ul style="list-style-type: none"> <li>• Increase in Sales</li> <li>• Increasing Knowledge of Marketing Techniques</li> <li>• Induction of Innovative Expressions</li> <li>• Increase in the Activation of Retail Traders</li> <li>• Development of Basic Market Structure</li> <li>• Increase in the Professional Reputation of the district</li> </ul>	<ul style="list-style-type: none"> <li>• The difference of Global Approach</li> <li>• Differences in savings on purchasing of goods on a large scale</li> <li>• The scope of schemes to be provided to the consumers</li> <li>• The difference of Ad Grandeur</li> <li>• Price and Variety of Consumers' Pressure</li> <li>• Business Style difference</li> </ul>

**HUFF'S LAW OF SHOPPERS ATTRACTION:**

Huff's law of shopper's attraction showed that the probability of people shopping at a location depends on the effect of travel time. If a product is important then the consumers are less travel sensitive.

$$P_{ij} = \frac{\frac{S_j}{(T_{ij})^\lambda}}{\sum_{j=1}^n \frac{S_j}{(T_{ij})^\lambda}}$$

P<sub>ij</sub> = Probability of a consumer's traveling from home i to Shopping location j

S<sub>j</sub> = Square footage of selling space in Shopping location j expected to be devoted to a particular product category.

T<sub>ij</sub> = Travel time from consumer's home I to Shopping location j.

n = Number of different Shopping locations

λ = Parameter used to estimate the effect of travel time on different kinds of Shopping trips

**Table Showing Travel Time from 2 Home Locations to different Retailers**

Type of Outlet	Average area for a Product Category (in sqfts)	Travel Time (from home 1 in min)	Travel Time (from home 2 in min)
Shipra Mall (Indirapuram)	1000	5	15
Traditional Market (Mangal Bazaar)	1500	7	7
New Market (Gandhi Nagar Market)	1500	15	5

Using Calculations it was observed that:

P<sub>11</sub> = 77.6%

P<sub>12</sub> = 38.3%

P<sub>13</sub> = 8.6%

P<sub>21</sub> = 5.7%

P<sub>22</sub> = 39.6%

P<sub>23</sub> = 77.6%

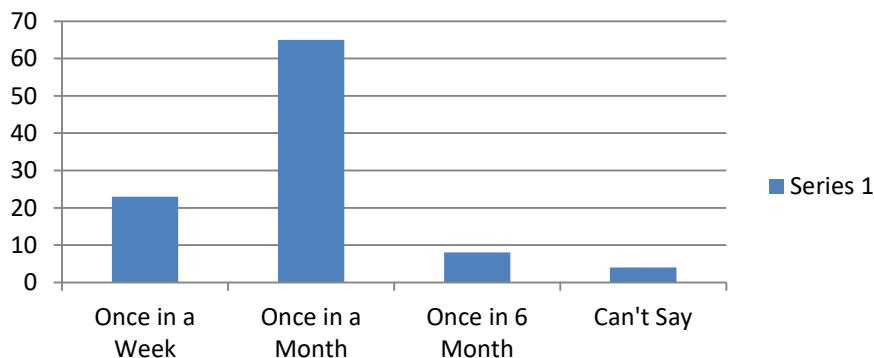
**Interpretations from**

a) **Huff's Law** The Calculation reveals that the shoppers are attracted more to a nearby place from their residence, irrespective of different markets. But our survey concluded that people are more inclined to Shopping in a retail market where they can enjoy the culture of Shopping and entertainment under one roof. The probability of people shopping at a location depends on the effect of travel time. If the product is important such as dress, watches etc. consumers are less travel sensitive.

**b) Questionnaire**

1) How often you visit a Shopping Mall?

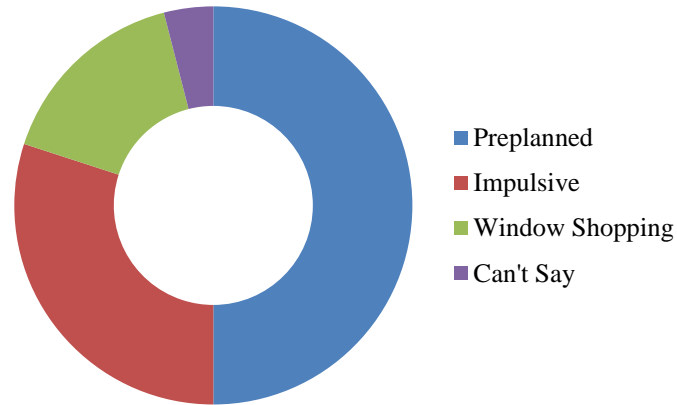
A major group visited the mall only once in a month. The group that visited once in a week was the youth.



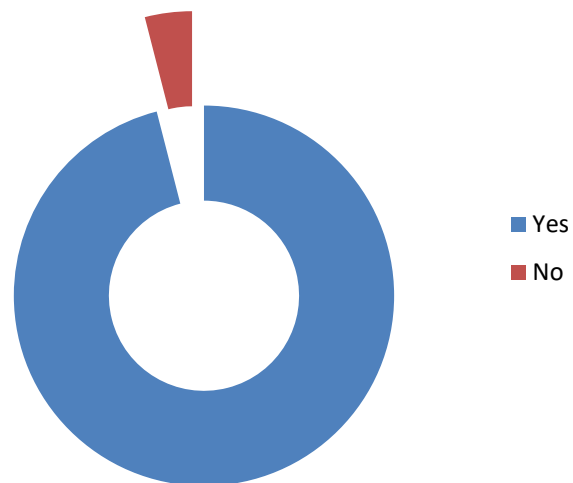
2) What is the nature of your shopping in a Shopping Mall?

Among the 100 surveyors, 50 did Preplanned Shopping and 30 shared Impulsive and Window shopping each.

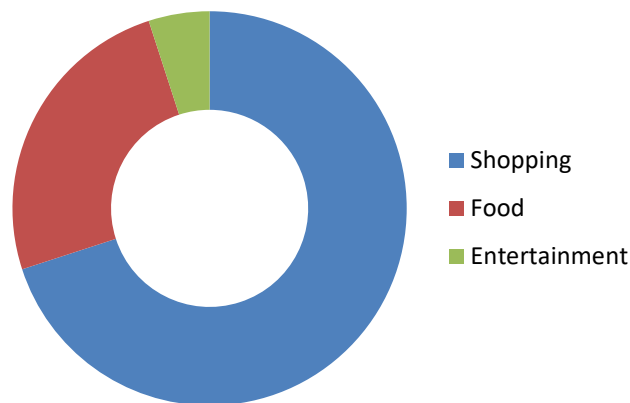
**Nature of Shopping in Shopping Mall**



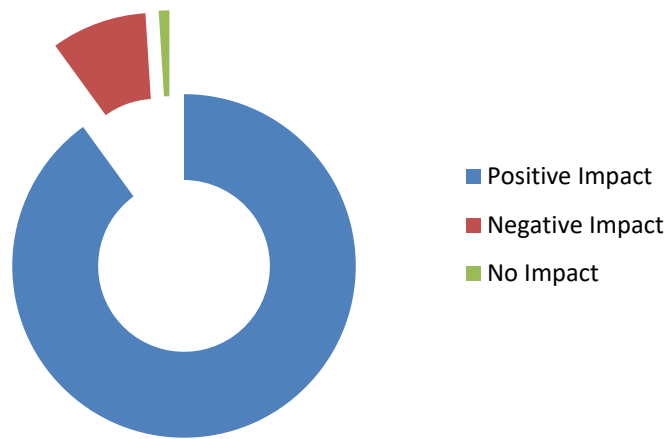
3) Do you welcome Shopping Mall culture in Ghaziabad?  
 Of the 100 population, a huge majority of 94 Welcomed Mall culture in Ghaziabad.



4) What do you find most interesting part in Shopping Malls?  
 A crowd of 70 admitted the most interesting in mall is Shopping with 25 youth went only for food which was again observed to be the teenagers and 5 for entertainment.

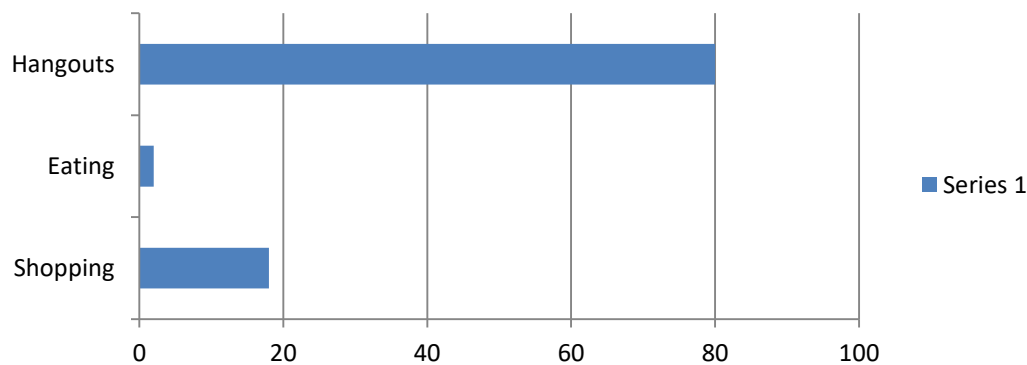


5) Does Shopping Mall culture give impact on the life style of youth?  
 A good response of 90% said that mall culture has a positive impact of the life style of youth, at the same time 9% negative impacts was stated by the parental group.



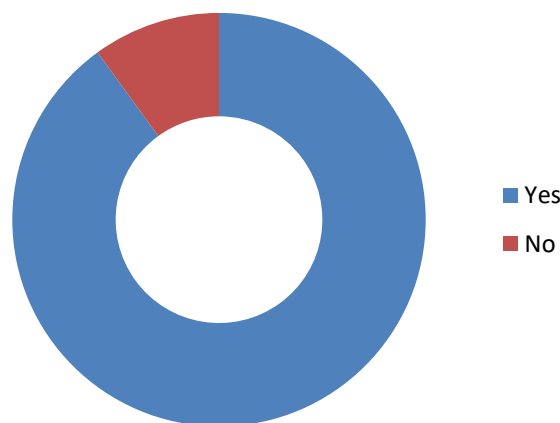
6) Rate the purpose of youth visiting Shopping Malls.

The youth themselves admitted that their purpose of visiting Shopping Malls was to hangout for various reasons. Hence, the response showed high value of 80%. Elders were of the same opinion.



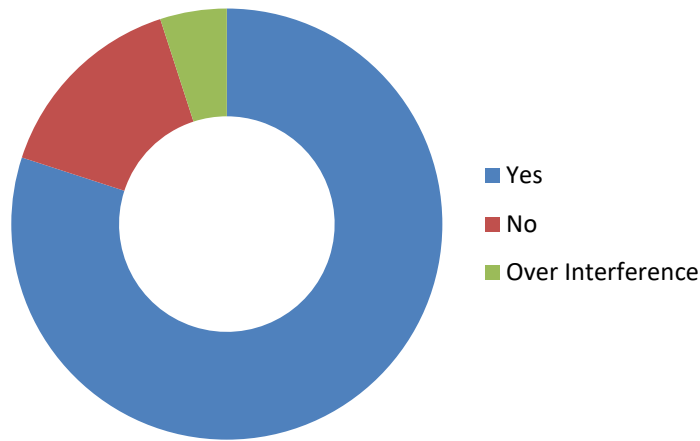
7) Do Shopping Malls increase the standard of living of the citizens of Ghaziabad?

Among the 100 people surveyed, 90 accepted the fact that the Shopping Malls have increased the standard of living of the citizens of Ghaziabad.

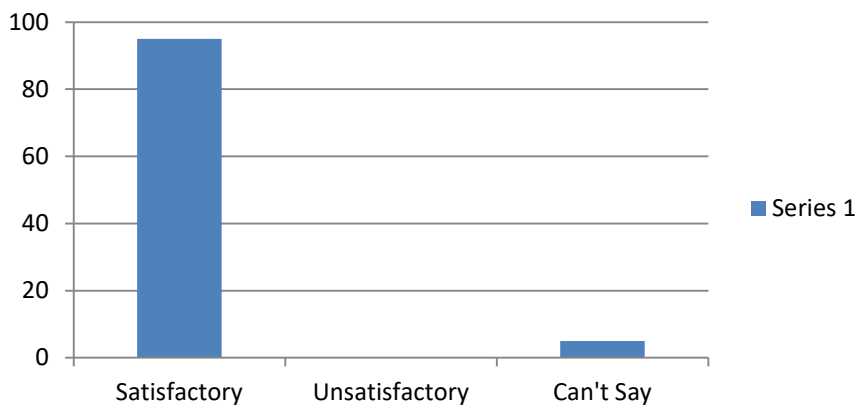


8) Does the Staff Members of Shopping Malls help the Customer in Selection and Shopping?

80% were satisfied with the assistance in selection and Shopping to the customer, at the same time 20% did not agree to it.



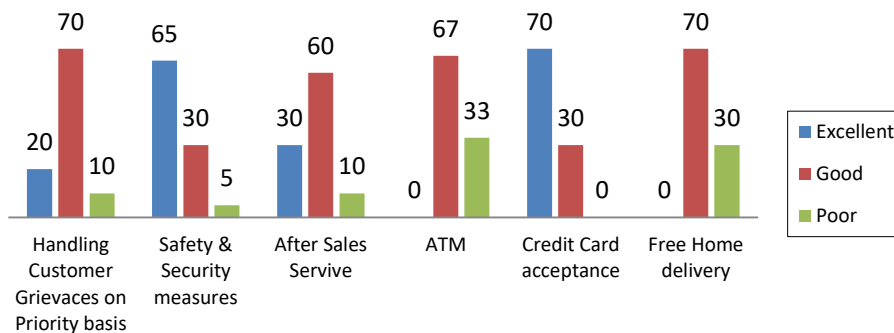
9) How is the infrastructure and over all ambience?  
 95% of the surveyed said that infrastructure and over all ambiances is satisfactory.



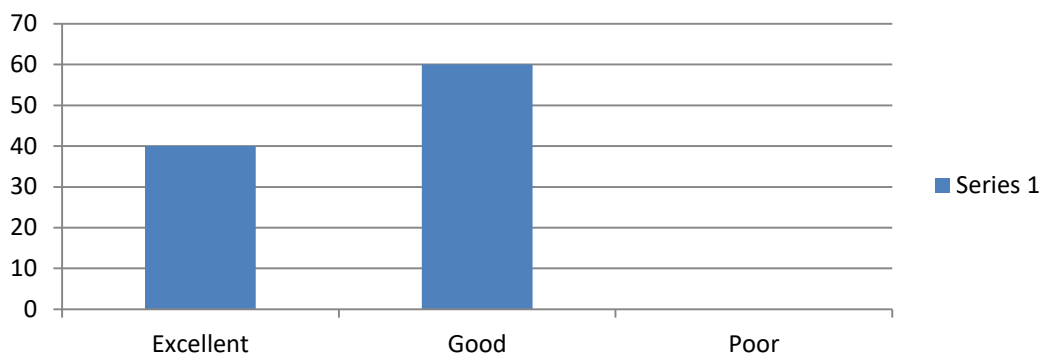
10. Rate the following facilities offered by Shipra Mall.

- Handling Customers Grievances on Priority Basis:- 70% said that the process is good 10% said it's poor and 20% said excellent.
- Safety & security measures:- 65% said that the measures are good and 30% as excellent and 5% said poor.
- After Sales Service:- 60% said that the measures are good and 30% as excellent 10% said poor.
- ATM:- 67% agreed as good, but 33% said it is poor.
- Credit Card acceptance:- 70% said it is excellent and 30% said as good.
- Free home delivery:- 70% agreed as good, but 30% said it is poor

Rating for facilities offered by Mall



11. How do you rate Shipra Mall with respect to other traditional retail outlets in Ghaziabad?  
 60% of the surveyors said that Shipra Mall is good and 40% said it is excellent.



### CONCLUSION OF THE STUDY:

- Shopping Malls have marveled the lifestyle of shoppers. The Shopping Malls of Ghaziabad district provided the opportunity to develop the small consumer markets due to which, the near around Ghaziabad area the small businessman (selling food items) have benefited financially.
- The retailers and shoppers hope the upward trend in the mall purchase to stay longer. It is proved by the rising graph of sales figures in the mall merchandise. The super bazaars really contribute a lot for the product development.
- In the Ghaziabad district, the Shopping Malls culture played as a catalyst in increasing the activity of retailers. Before the Shopping Malls worked the retailers were purchasing the goods by conventional methods, storage, packing sales etc. Now we get to see much change in their old style. Those retailers who draws more attention only he is able to achieve greater economic benefits.
- The emergence and development of Shopping Malls in the Ghaziabad district have also served as a catalyst for innovative expressions in the traditional retail businesses. Here, the Shopping Malls of modern advertising techniques, excellent attires decoration, developing managerial knowledge and specialties have provided the inspiration for do something new for the retail businessman. That is why, even in the minds of traditional retailers the consciousness awakened that if they want to survive in the market than they must create some innovations. It is also seen that the entrepreneurs who created some innovation in their business are evolving consumer base and they also get more economic benefits.
- After the arrival of Shopping Malls in Ghaziabad district the basic market structure has been developed under which in the open spaces the retail markets develop fastly. The facilities like electrical power supply and additionally generators facility also provided by the municipal authorities. The other facilities like plentiful parking facility banking and ATM facility etc also provided modern retail markets. Even the development of wide and paved roads constriction is also going on in the retail markets. The development of such infrastructure not only attract the people but retail market purchasing area has changed in entertainment venues due to which the retailers get to see the huge crowd of customers at this place and this is not only benefits to the consumers but also increase the business of retailers which resultant increase their economic benefits.

### SUGGESTIONS:

- The gap model indicates what the retailer needs to do, to provide high quality customer service. When customer's expectations are greater than their perceptions of the delivered service, they are dissatisfied and feel the quality of the retailer service is poor. Thus retail needs to reduce the service gap.
- More publicity should be done efforts should be made to provide all facilities and amenities to not only the customers but also to the retailers.
- The government should take initiative to open new Shopping Malls in a time bound manner with emphasis on hygiene, convenience to Shoppers, proper approach roads, entry, exists etc.
- Shopping Malls should pay special attention to after sales service, so that consumers are confident about the goods they have purchased.
- Customers who make purchases above than a fixed amount from Shopping Shopping Malls should not charge any vehicle parking charges.

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