

**Shopping Malls – Destinations for Rural and Urban Consumers  
(A comparative study)**

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India is growing fast and enjoying international prestige as many foreign companies are expanding their presence. Its vast middle-class and almost untapped retail industry are key attractions for global retail giants wanting to enter newer markets. Organized retail in India is only 2% of the total \$21.5bn retail industry. Driven by changing lifestyle, strong income growth and favourable demographic patterns. It is expected to grow 25% annually. On one side, Indian stock market performed spectacularly. On the other side, India's retail segment is taking new shapes and it has been considered the fastest growing sector with a three-year compounded annual growth rate of 46.64%. Traditional shops are turning into departmental stores, supermarkets and specialty stores. The new shopping malls are expanding their footprints to provide the Indian consumer a family shopping experience, which a majority of Indians never experienced such 'shopping with fun' before. These malls undertake the task of brand building, recreation and satisfying food needs, all under one roof.

Earlier, buying a two-wheeler was a big deal involving a lot of paperwork. These days, companies and banks themselves inform consumers through instant mobile phone messages about vehicle loans. Indian companies are now looking for new markets because of saturated urban markets. ITC has taken the initiative in this area by starting e-chaupal and in just a couple of years, with the help of a few thousand computers hooked up to the Internet, farmers have started to work on fair grain prices, bypass middlemen, and increase profit margins on their crops. Rural consumers are also getting the benefits of increased information and communication. Even women and children are getting more exposed to the Internet.

In this scenario, shopping malls are a happening phenomenon cropping up in metros and major cities. But the question that arises is whether these malls will get acceptability in India by rural and urban consumers both or not. The present study shows some major facts related to the behaviour of rural and urban consumers towards these shopping malls.

### **Objectives**

The main objectives and concerns that guided my research were:

- To reflect the behaviour of rural and urban consumers while visiting malls.
- To determine the shopping attitude of rural and urban consumers.
- To compare the behaviour of rural and urban consumers.
- To know the influencing factors affecting the purchasing decisions of consumers.

### **Methodology**

The study is based on the questionnaire and interview of the consumers and marketers. The questionnaire was self designed and based on five point scale. Scores were assigned to each point (1-50%, 2-25%, 3-15%, 4-10%, 5-0%). Sample size was 100 consumers consisting 50 rural consumers and 50 urban consumers, selected from the visitors of malls in NCR Delhi. Rural consumers were selected by visiting nearby rural areas who frequently visit shopping malls in nearby cities. Marketers' view point is based on the interview of 25 marketers in different malls

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of NCR Delhi region, conducted by the researcher personally. The scope of the study was limited to NCR Delhi (included high end malls and low end malls of Gurgaon, Faridabad and Nodia).

### Shopping Malls – The New Design of Retail Market

The decade-old economic reforms have engendered a new, shop-to drop breed of middle class Indians who, having tasted the shopping experience of big cities overseas, have fuelled a demand that was inevitable - - the rise of the shopping malls. Shopping malls are the places where number of retail stores are prevailing having parking areas and interconnecting ways. These malls contain food courts, cinemas, multiplexes, garment stores etc.

### Rural Consumers – Gaining Importance

Gone are the days, when the rural consumers were dependent on cities to buy branded and unbranded products and services. Today consumers in a rural areas are quite literate. Their standard of living is high and they are using branded kitchen appliances like mixer-grinders, refrigerators, pressure cookers etc.

According to a NCAER (National Council for applied Economic Research) study, there are as many 'middle income and above' households in the rural areas as there are in the Urban areas. Now rural consumer is important for marketer not only for necessary products but for lifestyle products also. Why is rural consumer getting importance today. It is justified by the data given in the following tables :

Census Year	Rural (in cr)	Urban (in cr)	Total (in cr)
1981	524	159	683
1991	629	218	847
2001	741	286	1,027

*Source : National Council for Applied Economic Research (NCAER)*

Income Groups	Percentage of Rural Households GDP @ 7.2%		
	1994-95	2001-02 (%)	2006-07 (%)
Below Rs. 25,000	61.4	37.4	20.2
Rs. 25,000-50,000	26.0	41.1	44.6
Rs. 55,000-77,000	8.3	13.0	22.4
Rs. 77,000-1,06,000	2.7	4.7	5.8
Above Rs. 1,06,000	1.6	3.8	5.6

*Source : National Council for Applied Economic Research (NCAER)*

### Urban Consumers – Changed Mindset

The urban consumers in India have developed their lifestyle which is the result of changing attitudes and mind sets. Now, they are more exposed to western culture and feel the need of self-gratification. Almost, all the families are converting into the nuclear families which encouraged the eating out culture. Youth wants to wear designer-wears, use hi-tech products which encouraged them to enter into shopping malls.

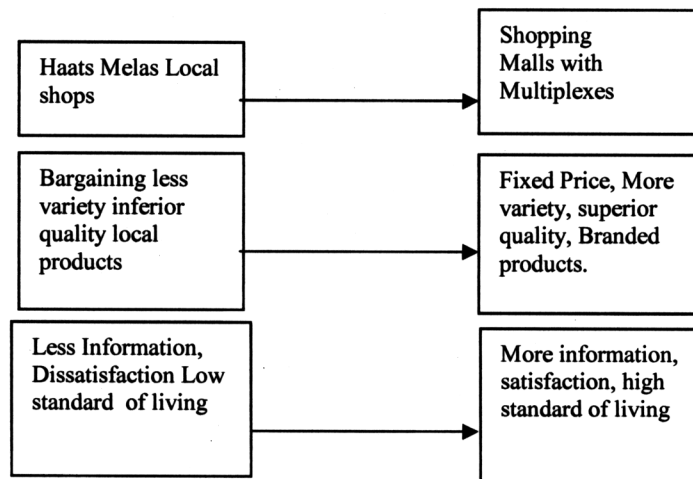
Moreover women in urban areas look for a place where they can meet for their social needs. Shopping malls fulfill their this need also. Foreign brands are gaining popularity among Indian urban consumers. For example Chinese, Italian furniture are gaining popularity in India. These marketers have opened big showrooms in shopping malls.

The working urbanites are depending more on fast and ready to serve food. Bulk purchases from hyper stores seen to be trend rather than frequent visits to the 'kiriyana stores. Urban consumers are more experimental nowadays. Their behaviour is influenced by discounts and free offers.

### Shift In Rural India – Path To Shopping Malls

- ❖ Rural India has changed tremendously. The data published by NCAER shows that in the last 10 years, the income of rural India has grown several fold.
- ❖ Agriculture is also prospering. Moreover, rural India is not 100% dependent on agriculture. They are involved in other businesses and jobs in near towns. So, there is tremendous change in their income and thinking pattern.
- ❖ All this, improved the prosperity level in Bharat (Rural India). The rural rich are becoming richer and their visiting destinations are ofcourse, shopping malls in nearby towns.
- ❖ Now, there is a thin line between urban and rural India. The rural rich really behaves like Urban consumers.
- ❖ The rural areas of Pubjab, Haryana, Kerala and Maharashtra are now called developed rural India. The people are aware and have better access to towns and cities.
- ❖ Media has done wonders to Bharat (Rural India). These people know what is happening around the world because of media. They know what are the latest trends and how the rest of the country lives.
- ❖ Youth, is the trendsetter and the rural youth is playing an important role in changing the profile of rural India. They are the promoters of the new destinations i.e. shopping malls. They convince their families to walk into shopping malls and buy branded products.
- ❖ Rural consumers have started using the latest national brands rather than the local ones; they feel proud to use premium brands. For instance, rural consumers are upgrading from local washing cakes to RIN and wheel, from hair washing soaps to shampoos.

Now, India is developing beyond big cities and towns. The appetite for shopping is developing everywhere. With the development in credit business, infrastructure and information, rural consumers are also getting attracted towards the shopping malls.



(Shift in the attitude of rural consumers)

### Shift In Urban Life Style – Path To Shopping Malls

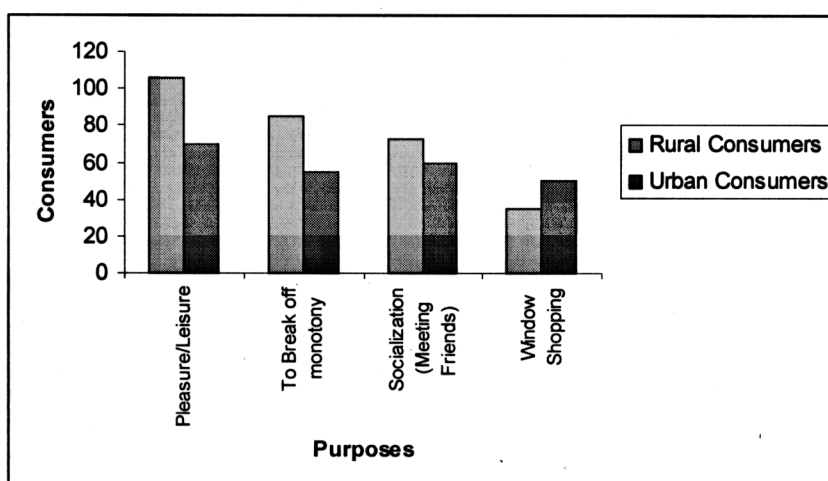
- ❖ Shopping malls are known as relaxing junctions. With its background music, cool environment, energetic and cheerful staff and round the clock operations, the decorated stores of a mall attract urban consumers for a perfect holiday.
- ❖ Shopping malls are decorated in such a way on each festival that every one feels happy and associated. They celebrate every festival with pump and show. Every company offers special discounts on each festival like Republic day, Christmas, new year, Diwali and Holi, which acts like magnet to urban consumers.
- ❖ Shopping malls are free from geographical boundaries. The main criteria for a mall's location is simple, i.e. how fast people can reach there.
- ❖ Malls are the visible face of change in retailing. Big Bazar-the Wal Mart of India, Vishal Megamart, Pantaloons are throwing lots of schemes and discounts to attract consumers. The urban consumers wants to grab these opportunities.
- ❖ The urban consumers seek comfortable place to shop. Now they need not worry about going into narrow streets of a busy markets or traditional vegetable market on a rainy day because malls are providing comfortable and covered placed to shop.

### The Real Picture – Rural and Urban Consumers in NCR Delhi Malls

The present study shows the priority of purposes of rural and urban consumers to visit malls. It is depicted in the following table and chart:

**Table 1. Purposes of visiting malls**

Purpose	Score	
	Rural Consumers	Urban Consumers
Pleasure / Leisure	105.5	70
To break off monotony	85	55
Socialization (Meeting friends)	72.5	60
Window shopping	35	50
To know new products	30	52.5



**Fig. 1 - Purposes of visiting malls**

Through a self designed questionnaire filled by 100 respondents in NCR the following findings are shown:

### Consumer Buying Behaviour – Rural Vs. Urban

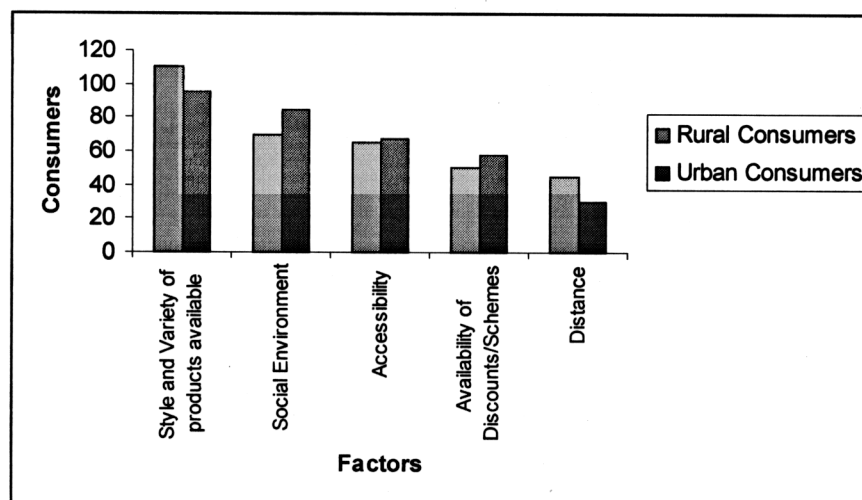
The rural and urban consumers both have given priority to the purpose of pleasure for visiting malls. Rural Consumers visit malls to have a break from their monotonous routine, while urban consumers go for shopping frequently. They are interested in knowing new products also. A few rural consumers go for shopping in shopping malls and their shopping includes some luxury items, food and snacks. While their counter part spend on branded products and food / snacks. The study depicts rural consumers are more serious consumers. There are less number of rural consumers, who go for window shopping. The study shows 90 percent of rural and urban consumers visit malls in the evenings which also supports their priority of purpose (pleasure) to visit malls.

Almost all the rural and urban consumers wish to visit high end malls for knowing life style products which indicates Bharat (Rural India) is keen to change its life style. As youth is going out of villages for study, they also force their families to visit malls twice in a month. While urban consumers go weekly. The rural consumers spend Rs. 500-1000 per visit in comparison to urban consumers (Rs. 1000-1500).

There are lot of factors which affect their mall visiting decisions. The following table and chart summarises these results.

**Table 2: Factors affecting mall visiting decisions**

Factors	Score	
	Rural Consumers	Urban Consumers
Style and Variety of products available	110	95
Social Environment	70	85
Accessibility	65	67.5
Availability of Discounts/Schemes	50	57.5
Distance	45	30



**Fig. 2 - Factors affecting mall visiting decisions**

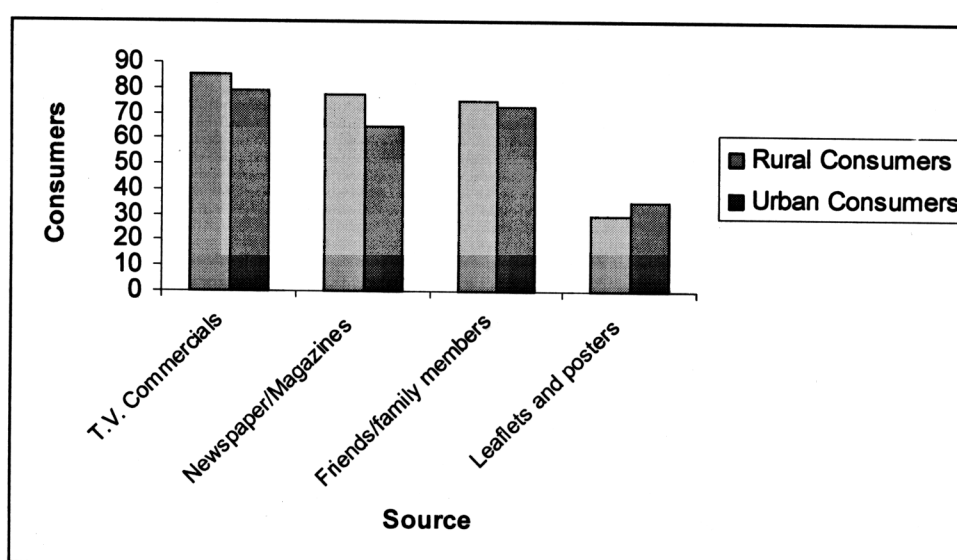
The table shows 'distance' hardly matters for rural and urban consumers both. They look at shopping malls for style and variety of products. Social environment is also an important factor to

visit different shopping malls. Although urban consumers are more keen in social environment than their counterparts. The study shows the rural rich really behaves like Urban consumers. The cultural and social practices have a major influence on the behaviour of the rural consumers.

There are different information sources by which the rural and urban consumers get influenced for their purchasing decisions. T.V. commercials are number one source which encourage them to rush towards these new destinations. Although rural consumers rely more on newspapers while urban consumers give weightage to friends and family members.

**Table 3: Information Sources to influence purchase decisions**

Sources	Scores	
	Rural consumers	Urban Consumers
T.V. Commercials	85	79
Newspaper/Magazines	77.5	65
Friends/family members	75	72.5
Leaflets and posters	30	35



**Fig. 3. Information Sources to influence purchase decisions**

The rural consumers spend more on food items and a few luxury items while urban consumers focus on branded clothes, food, snacks and video games. Urban consumers visit more frequently than rural consumers.

#### **Observations of Marketers**

- ❖ Rural consumers are less in numbers for window shopping.
- ❖ Rural consumers enter in stores for buying products while their counterparts look for discounts and schemes.
- ❖ Both rural and urban consumers do not believe in bargaining.
- ❖ Rural consumers purchase in bulk because they do not visit these malls frequently.
- ❖ Urban consumers are more aware about discounts and schemes while rural consumers are less informed about these schemes.
- ❖ There is difference in the lifestyle of the rural and urban consumers. The rural consumers are fairly simple in contrast to more complex and stylish urban counterparts.
- ❖ The rural consumers are socially, economically different from urban consumers.

But this difference is thinking day by day. Led by the rising purchasing power, changing consumption patterns, increased access to information and communication technology and improving infrastructure, the rural consumers are also ready to enter in high lifestyle world. The Indian rural is ready to change. They are matured enough to understand the products developed for the urban markets. Yet, there is a need to make proper strategy to tap the Indian rural market. This has been understood by marketers also. Now top retailers and local retail chains are developing malls in regional locations, specifically to sell premium branded goods at cheaper rates than the maximum retail price. Big MNCS are promoting agricultural products (fruits and vegetables, organic food) in the malls, so that rural consumers and urban consumers both could find shopping malls, a comfortable place for them.

Undoubtedly the malls are attracting all types of consumers rural and urban both but they will be successful in future only when promoters and marketers will formulate proper strategy according to the mind set of all the consumers rural and urban both.

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