

A Study of Consumer Behaviour Towards Shopping Mall VS Local Market

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ABSTRACT

This study compares consumer behaviour towards shopping malls and local markets. It examines consumer preferences, attitudes, and perceptions based on factors like price, quality, variety, convenience, service, and shopping experience. The study finds that shopping malls are preferred for branded products, better infrastructure, comfort, and entertainment, and are often chosen for family outings and special purchases. On the other hand, local markets are preferred for low prices, bargaining, personal interaction, and daily needs. Consumer preference varies according to age, income, lifestyle, and purpose of purchase. The study concludes that both malls and local markets are important and coexist by fulfilling different consumer needs.

Keywords : Consumer Behaviour, Shopping Malls, Local Markets, Buying Preferences, Price, Quality, Variety of Products

INTRODUCTION

Consumer behaviour is the study of how individuals choose, buy, use, and dispose of goods and services to satisfy their needs and wants. It plays a very important role in marketing because understanding consumer behaviour helps businesses to know what customers want, how they think, and how they make purchasing decisions. In today's fast-changing business environment, the buying behaviour of consumers is continuously evolving due to changes in lifestyle, income level, urbanization, and technological development.

In India, the retail sector has seen major changes over the past few years. Traditionally, people mostly depended on local markets, small shops, and street vendors for their daily needs. These local markets are known for personal relationships with customers, bargaining, and convenience for nearby residents. However, with modernization and economic growth,

shopping malls and organized retail stores have become increasingly popular, especially in urban and semi-urban areas. Shopping malls offer a modern shopping experience with a wide variety of branded products, comfortable environment, entertainment facilities, food courts, and the concept of one-stop shopping under one roof.

The rise of shopping malls has not only changed the way people shop but has also changed their expectations from the shopping experience. Today, shopping is not only limited to purchasing goods but has also become a form of recreation and social activity. Families and young consumers often visit malls not just for shopping, but also for entertainment, dining, and spending leisure time. At the same time, local markets continue to hold a strong position in the retail system because of their affordability, easy access, quick service, and suitability for daily and routine purchases.

Both shopping malls and local markets have their own importance, advantages, and limitations. While malls attract customers by offering better infrastructure, branded goods, and a pleasant shopping atmosphere, local markets attract customers by offering lower prices, bargaining options, and personal attention. The preference of consumers between these two shopping places depends on many factors such as income, age, education, lifestyle, and the type of product being purchased.

In this context, it becomes very important to study and understand consumer behaviour towards shopping malls and local markets. Such a study helps in identifying the changing shopping patterns, preferences, and expectations of consumers. It also helps retailers, marketers, and business owners to design better strategies to attract and retain customers. Therefore, this study attempts to analyze and compare consumer behaviour towards shopping malls and local markets and to understand the reasons behind their preferences.

OBJECTIVES

- 1) To study and understand the buying behaviour of consumers towards shopping malls and local markets.
- 2) To compare the preferences of consumers between shopping malls and local markets.

- 3) To identify the main factors that influence consumers while choosing between shopping malls and local markets.
- 4) To analyze the reasons behind the growing popularity of shopping malls as well as the continued importance of local markets.
- 5) To understand how demographic factors such as age, income, and lifestyle affect the choice of shopping place.

REVIEW OF LITERATURE

Kotler, P., & Keller, K. L. (2016). *Marketing Management (15th ed.)*. Pearson Education. Kotler and Keller explain that consumer behaviour is influenced by cultural, social, personal, and psychological factors. The book states that modern consumers do not only look for products, but also for value, convenience, and experience.

Schiffman, L. G., & Wisenblit, J. (2015). *Consumer Behavior (11th ed.)*. Pearson Education. This book explains how consumers make buying decisions and how their preferences change with lifestyle and income. The authors mention that store choice depends on factors such as price, location, service, and shopping atmosphere, which is useful for comparing shopping malls and local markets.

Solomon, M. R. (2017). *Consumer Behavior: Buying, Having, and Being (12th ed.)*. Pearson Education. The book explains that many consumers visit malls for enjoyment and leisure, while traditional markets are preferred for functional and routine purchases.

Berman, B., & Evans, J. R. (2018). *Retail Management: A Strategic Approach (13th ed.)*. Pearson Education. The book highlights that organized retail stores and malls attract customers through better layout, comfort, and variety, while small retailers and local markets attract customers through personal service and lower prices.

Levy, M., Weitz, B. A., & Grewal, D. (2019). *Retailing Management (10th ed.)*. McGraw-Hill Education. It explains that large shopping malls focus on experience and variety, whereas local markets focus on convenience, quick service, and daily needs.

Loudon, D. L., & Della Bitta, A. J. (2010). Consumer Behavior: Concepts and Applications (4th ed.). McGraw-Hill Education. The authors explain that consumer buying behaviour is influenced by motivation, perception, and attitude. The book helps in understanding how consumers develop different attitudes towards shopping malls and local markets based on their needs and past experiences.

Saxena, R. (2010). Marketing Management (4th ed.). Tata McGraw-Hill. The book states that although malls are growing fast, traditional markets still play a very important role in serving middle- and lower-income consumers.

Sinha, P. K., & Uniyal, D. P. (2014). Managing Retailing in Emerging Markets: Text and Cases. Oxford University Press. It shows that consumers choose different shopping places for different purposes, which supports the comparison between shopping malls and local markets.

RESEARCH METHODOLOGY

Research methodology refers to the systematic way in which a study is conducted to achieve its objectives. It explains the methods used for collecting data, the sources of data, the sampling design, and the tools used for analysis. The present study is descriptive in nature and is designed to understand and compare consumer behaviour towards shopping malls and local markets.

1. Research Design : The study is based on a descriptive research design, as it aims to describe and analyze the preferences, opinions, and behaviour of consumers regarding shopping malls and local markets.

2. Sources of Data : The study is based on both primary data and secondary data:

- **Primary data** was collected directly from consumers using a structured questionnaire.
- **Secondary data** was collected from books, journals, websites, and previous studies related to consumer behaviour and retail marketing.

3. Sample Size : The sample size for the study is 50 respondents. The respondents were selected from different age groups, income levels, and occupations.

4. Sampling Method : The study uses convenience sampling method, as the respondents were selected based on easy availability and willingness to respond.

HYPOTHESIS OF THE STUDY

H₀ (Null Hypothesis) : There is no significant difference in consumer preference between shopping malls and local markets.

H₁ (Alternative Hypothesis) : There is a significant difference in consumer preference between shopping malls and local markets.

HYPOTHESIS TESTING

H₀ : There is no significant difference in consumer preference between shopping malls and local markets.

H₁ : There is a significant difference in consumer preference between shopping malls and local markets.

Observed Frequency Table (O) :

Preference	Prefer	Do Not Prefer	Total
Shopping Mall	32	18	50
Local Market	18	32	50
Total	50	50	100

Expected Frequency :

Since there are two choices and total respondents are 50, the expected frequency is:

- Shopping Mall = 25
- Local Market = 25

Expected Frequency Formula :

$$E = (\text{Row Total} \times \text{Column Total}) / \text{Grand Total}$$

Expected Frequencies (E) :

Preference	Prefer	Do Not Prefer
Shopping Mall	$(50 \times 50) / 100 = 25$	$(50 \times 50) / 100 = 25$
Local Market	$(50 \times 50) / 100 = 25$	$(50 \times 50) / 100 = 25$

Chi-Square Formula :

$$X^2 = \sum (O-E)^2 / E$$

Chi-Square Calculation :

O	E	O-E	(O-E) ²	(O-E) ² / E
32	25	7	49	1.96
18	25	-7	49	1.96
18	25	-7	49	1.96
32	25	7	49	1.96
Σ				7.84

At 5% level of significance and 1 degree of freedom:

$$X^2 \text{ table} = 3.84$$

Statistical Analysis Indicates:

- A majority of respondents reported a preference for shopping malls over local markets for certain purchases.
- The Chi-square test results (assumed at 5% significance level) show that at 5% level of significance, χ^2 critical = 3.84. Since the calculated value $7.84 > 3.84$, the null hypothesis (H_0) is rejected.
- Hence, the study accepts the alternative hypothesis (H_1), confirming that there is a significant difference in consumer preference between shopping malls and local markets.

FINDINGS

- A majority of respondents prefer shopping malls for products that require comfort, branded items, variety, and entertainment while shopping.
- Local markets are preferred by respondents for daily-use goods, low prices, easy bargaining, and quick shopping.

- Factors such as income level, age, lifestyle, and purpose of purchase significantly influence the choice of shopping place.
- The Chi-square test indicates a significant difference in consumer preference between shopping malls and local markets.
- Consumers tend to choose shopping malls for leisure and family outings, whereas local markets are chosen for routine and budget-friendly shopping.
- Both shopping malls and local markets coexist in the retail system, serving different needs of consumers.

CONCLUSION

The study reveals that consumer behaviour towards shopping malls and local markets varies significantly based on their needs, income, lifestyle, and purpose of purchase. Shopping malls are preferred by consumers seeking comfort, branded products, variety, and a modern shopping experience, while local markets continue to attract consumers who prioritize affordability, bargaining, personal interaction, and quick purchases. The statistical analysis confirms that there is a significant difference in consumer preference between the two shopping formats. This indicates that both shopping malls and local markets play an important role in the retail ecosystem, catering to different types of consumer demands. Understanding these preferences helps retailers and marketers design effective strategies to attract and satisfy their target customers.

SUGGESTIONS

Based on the study, it is suggested that shopping malls should focus on enhancing the overall shopping experience by providing better facilities, entertainment options, and a wide variety of products to attract more consumers. Local market vendors can maintain their competitive advantage by offering affordable prices, personalized service, and flexibility in bargaining. Retailers in both formats should understand the preferences and needs of different consumer segments, such as families, young shoppers, and budget-conscious buyers, to design suitable marketing strategies. Additionally, combining modern retail techniques with traditional practices, such as promotions, loyalty programs, and better customer service, can help both

shopping malls and local markets retain existing customers and attract new ones.

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