A Study of Cost Leadership Strategy of Retail Firms in A Shopping Mall with Special Reference to The Great India Place (TGIP) Shopping Mall, Noida (UP), India

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ABSTRACT

Retailing is one of the largest industries in India and one of the biggest sources of employment in the country. The retail sector is controlled by traditional and modern retail formats. These formats have emerged and developed with the growth of population in the country. Various retail models exist in the world of retail. Modern retail formats such as superstores, hypermarkets, specialty stores, supermarkets, convenience and discount stores are widely present in the developed world, where as such forms of retail outlets have begun to spread to developing countries in recent years. The Indian modern retail sector, which witnessed a phase of consolidation from the second half of 2008 till well into 2012, has gone through a learning phase. In the last one and a half years retailers consolidated their operations by shutting down unviable strives reassessing catchments and renegotiating rentals. The rampant constructing of shopping malls at an available space in a metro has stopped. The modern retail formats (including shopping malls) in India have started penetrating down to small cities and towns. The shopping malls getting constructed are comparatively small and more customized according to the environmental factors in towns/ cities.

The present study has considered an analysis of one of the largest shopping mall of India and has given an insight on the strategic placement of various retail formats. The study was conducted on a leading shopping mall of India, The Great India Place (TGIP) Shopping Mall, located at NOIDA (UP). The research investigates the relevance of a shopping mall as a business entity. The cost leadership strategy of the retail firms and their attractiveness compared to other retail firms within mall was analysed. The growing intensity of retail competition in a shopping mall due to emergence of new formats and technology plus shifts in consumer needs is forcing retailers to devote more attention to long-term strategic thinking. The study reveals the competitive advantages with respect to cost leadership strategy of big and small retail firms.

Keywords: Retail tenant mix, retail zoning, anchor-stores, shoppertainment, footfalls, ticket size.

INTRODUCTION

Organized retailing in India is at an early stage compared to the economically developed countries. Many retail formats such as, convenience / departmental / specialty stores, super / hyper markets, shopping malls etc are emerging. Shopping malls (as business centers) in India are not widely penetrated upto smaller town and cities. It is evident that the development of a shopping mall entails several strategic decisions from the conception, localization, construction and finally to the operational stages. According to rating agency Crisil, as much as 96 million sq ft of retail area is expected to be added over the next three years, against the demand of 34 million sq ft, spelling a significant mismatch. At present in India, there are 155 shopping malls across the country with a combined retail space of 60 million sq ft, of which 8.04 million sq ft was added last year. In Mumbai, 1.5 million sq ft of mall space is expected to be added over the next 12 months. Organized retailing is witnessing a wave of national and international players experimenting with various retail formats. The Indian modern retail segment is worth $28bn and is clocking a 25 to 30 percent growth y-o-y, according to the “IMAGES India Retail Report 2011.” India offers a huge and promising market driven by increasing consumption levels, the demographic dividend, and the rising per capita income. The huge growth story in Indian consumption makes retail attractive to many investors in the long run. The retail strategy provides the direction retailers need to deal effectively with their environment, customers and competitors. The three important elements of retail strategy: the target market segment, retail format and sustainable competitive advantage. Retailers talk about their merchandise strategy, promotion strategy, location strategy and private-brand strategy.

In retailing, there are three generic strategies to acquire competitive advantage. They are based on getting an edge in the following three dimensions: operational excellence, product differentiation and customer intimacy. Operational excellence is achieved when all the operating process of the retail organization is well defined and it is able to satisfy customers in a progressive and cost–effective manner. The organization can attain operational excellence if it sets for itself and achieves high standards in its area of operations. Product differentiation strategy comes into play when there is product innovation or when the merchandise has unique characteristics exclusive to the retail organization. Pricing strategy differentiation can be done by a distinctive offering of merchandise through an effective pricing strategy.

To analyze cost leadership strategy of a retail firm in a shopping mall in which it is operating, its position in the mall and its

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attractiveness has been the driving point for this research. A retail firm in a shopping mall can perform profitably, if it can employee its resources optimally. A retail firm is dependent on its areas of strength for its business in the market.

The present status of retail FDI policy and the downfall of GDP of India have put on hold a number of projects across this country. Big shopping malls are fast losing sheen among builders, who have put on hold a number of projects across the country to rising costs and dwindling demand in a slowing economy. India's largest realty firm DLF has shelved a luxury mall in Mumbai and another in Chennai to unlock value, while other builders such as Sheth Developers, Nirmal Lifestyle and Sonal Group have deferred the completion of their new malls by two to four quarters. Developers such as RMZ, Ozone, Landmark, Embassy Property Developers and K Raheja have also deferred projects by a year or put them on hold until the retail market revives (The Economic Times, New Delhi, 6 June 2012).

In India, people are amazed to experience the phenomenon of shopping malls. The shopping malls in metros are now in abundance. It has become a copy cat syndrome for real state developer to build another shopping mall in an available space in a metro. The researcher is trying to study the cost leadership dimension of the retail firms in one of the largest shopping mall of India. The shopping mall under study, The Great India place (TGIP) is located in Noida (UP), a vibrant part of Delhi-NCR. It is being chosen for the research because of its size, unique design and the availability of other small malls within 5 km periphery. TGIP is one of the largest shopping mall in India with an area of 15 lakh Sq ft (139400 meter sq). This shopping mall was developed by the Unitech Group. It is a world class integrated shopping destination with multi theme park, cinemas, restaurants and chain of various stores on multiple floors. It is hard to miss the structure located opposite Noida's sector 18, parallel to the main road. Not only because it is the longest building in the vicinity but because of its exclusive design, given by Callison Inc.

REVIEW OF LITERATURE

Many studies have been conducted on the shopping malls internationally. Organised retail in India has been at its nascent stage and shopping malls is an up growing concept, if you compare its spread across India. Shopping malls from metros has started penetrating down the line to small towns and city's. No significant work has been done on shopping malls highlighting Indian perspectives.

Kuruvilla, Jose. Shelja. and Ganguli, J. (2008), "mall development and operations: an Indian perspective", the researchers have given an insight of Indian perspective of shopping malls. This study was based on interviews with practicing retailers and mall managers and secondary data was used to understand the analytical and financial steps involved before setting up a mall. Based on the findings some suggestions were also put forth to enable a better relationship between tenant and mall management. The researchers concluded that right blend of good locations, good research on consumers and the right tenant mix vis-à-vis the catchment makes a mall successful in India.

Tripathi, P. Aditya, (2008), "emerging trends in modern retail formats and customer shopping behaviour in Indian scenario: a meta analysis and review", the researcher analysed the emerging trends in shopper's behavior by studying 30 shopkeepers from 6 malls operating in Delhi-NCR. The primary data collected from the respondents, led to the key observations about customers shopping behavior in Indian scenario among the modern retail formats. Serving class employee, never shop at the same store, though lower middle class visits hypermarkets and discount stores. The upper middle class frequents department stores, specialty chains and super markets. For India two, the clean and shiny environment of modern retail stores creates the perception that such stores are two expensive and exclusive so they are not meant for them.

Hendrik, Meyer – Ohle (2006), "two Asian malls: urban shopping centre development in Singapore and Japan", this study explored the factors underlying the development of urban shopping malls in Singapore and Tokyo. The study focused on the criticality of two propositions ie, independent mall developers increasingly drove mall development in Singapore and Japan. These developers differentiate their malls and experiment with concepts, where tenants play a lesser role. Secondly, mall developers increasingly found strong counter parts in quickly growing tenant chains that were often operating a variety of stores in the same shopping centre and were also developing their activities internationally. The study focused on the intention of mall developers and the tenants. Further the study concluded that factors that needed to be taken into account were the redevelopment of city spaces, the emergence of strong shopping centre developers and the emergence of powerful tenant chain operators.

Majumdar Aveek (2005), "A model for customer loyalty for retail stores inside shopping malls – an Indian perspective", the researcher studied the Indian perspective of organized retail formats (shopping mall in particular) and worked specifically on the customer loyalty parameter. The study was conducted in two metropolitan cities: Chennai and Kolkata covering a wide demographic profile of appeared shoppers. The researcher had looked into store loyalty in a holistic manner incorporating factors such as service quality, locations factors, value perceptions and store image. Apart from the research on measuring loyalty of the consumers on frequently purchased goods (brand loyalty), the service loyalty and store loyalty factors were also studied. In this study the researcher had considered apparel stores to test and validate their model. He revealed the following major factors in customer loyalty study viz. accessibility, ambience, amenities, retail mix (which includes price, assortment, and variety retail store personnel service) and store promotional activities.

Tabak, Ozgen and Aykol (2005), "High school girls shopping mall experiences, perceptions and expectations: A qualitative study", the researchers had focused on the expectations, experiences and perceptions of high school girls to understand what attracts them to the malls. They designed a qualitative study that included six focused groups and a questionnaire. The aim was to identify image attributes of participant's ideal shopping malls, shopping motives and expectations of high school girls. In this study, the researchers used focus groups; the most widely employed qualitative research method and a short questionnaire. The result of the questionnaire showed that girls mostly visited movie theatres, restaurants / café's boutiques and other entertainment venues respectively. The researchers identified six themes as "duration timing companion, frequency, spending money the reasons for visiting the favorite shopping mall. The researcher also analyzed the participant's positive and negative perceptions and their expectations. The analysis of the study was that adolescent girls usually find the prices of the stores within the mall higher.

Kim Eonsoo and Nam Dae-il, Stempert J.L (2004), in their research work, "testing the applicability of Porter's Generic Strategies in the digital age: a study of korean cyber malls", the researchers examined the traditional strategic management theory evolved in the context of brick and mortar firms operating in a physical space. They proposed that Porters (1980) generic strategy framework was still applicable albeit in need of some modifications competition in the digital age. This study tested that assertion in a sample of Korea online shopping malls. The results suggested that porter's generic strategic were applicable to e-business and they indeed explained performance differences across firms contrary to the conventional wisdom, but consistent with the logic of business in the digital reason the cost leadership strategy exhibited the lowest performance. Firms pursuing a hybrid cost leadership / differentiation strategy, exhibited the highest performance. The research findings suggested that cost leadership and differentiation can be combined at the same time and must be combined to be successful in e-business.

Ozhan Entekin, Vedia Dokmeci, Tuba Unlukar and Evren Ozus (2003), "spatial distribution of shopping malls and analysis of their trade Areas in Istanbul", the researchers investigated the spatial distribution of shopping malls with respect to populations and analyzed the factors, which effect the shopping mall location. The researchers tried to establish relationship between the shopping mall space and income population and distance to the central business district (CBD) of the locations using the regression analysis. The special distributions of three shopping malls and their trade area from different zones of Istanbul were analyzed and their consumer behaviours were compared. The hypothesis framed was the leasable space to be a function of population, income and accessibility. The result revealed that income was the only factor affecting the location of shopping malls. The results fell within the concept of central place theory.

Shim, Soyeon and Eastick, Ann. Mary (2003), "the hierarchical influence of personal values on mall shopping attitude and behaviour", the primary objective of this study was to employ a value attitude – behavior model in order to investigate the role personal values play in the patronage of regional shopping malls. A secondary objective was to examine whether one's ethnic group membership and ethnic identification serve as important factors that influence personal values as well as attitudes and patronage behavior in the context of regional shopping malls. The sample of regional shoppers consisted of white and Hispanic consumers residing in ten metropolitan cities of the south west. The research findings revealed that both dimensions of personal values (i.e., self-actualizing and social affiliation) were significantly related to a favourable attitude towards the shopping attitude of a regional mall.

Ford, Ken (2002), "shopping as it should be: welcome to the mall", the researcher had studied various facets of shoppers buying behavior with respect to retail formats. The researcher studied the benefits earned by the shopper if the retail format is a shopping mall. The researcher surveyed through questionnaire about the Mall brand in the B2B context: amongst investors, retailers, brand partners, local authorities and suppliers. Based upon at mall research asking the shoppers, what they expected from their shopping experience, the researcher devised a brand customer journey through the malls and introduced mall brand touch points. The conclusion drawn was that from entrance thresholds of shopping mall and car parks to toilets and 'Ask Me' point's mall brand standards were applied across the portfolio. These touch points were tested through colorful and fun loving mall environment created to support high – level customer focus and marketing campaigns.

LeHew, Melody L. Adkins, Burgess, Brigitte and Wesley, Searlett (2002), "expanding the loyalty concept to include preference for a shopping mall", the researchers attempted to describe the loyalty concept of a particular shopping mall. This paper is an initial investigation into the feasibility of customer loyalty towards an enclosed mall. The purpose of the research was to determine whether a group of loyal mall shoppers could be identified. The study examined the supply side determinant of shopping options by investigating characteristics of a mall that might influence a loyal shopper's predisposition for that mall. The researcher believed that to capture mall loyalty, respondents must have a choice of several shopping malls in which patronage would be possible. The conclusion drawn after the analysis of data that in order to determine whether loyal mall customers could be identified, the behavioral mall loyalty measure was collapsed into categorical data transforming the percentage of product category purchases (PURCH) into two groups, loyal customers and non-loyal customers. The researchers could find through respondents behavior and especially attitude that the answer was yes.

RESEARCH METHODOLOGY

RESEARCH DESIGN AND THE PRESENT STUDY – THE GREAT INDIA PLACE (TGIP) SHOPPING MALL, NOIDA (UP)

Importance of the Research:

Research attempts made so far in the subject are deprived of Indian perspective and insights on shopping malls. As concept of organized retail and shopping malls are still in its infancy in the country, no substantial and comprehensive studies have been done. The latest "shopping mall" culture is spreading faster from metros to the rest parts of India. The past studies being done in India in organized retail segment had not focused on the competitive advantages of the various retail formats available in a shopping mall. Moreover, the relevance of studying cost leadership strategy in the organized retail environment of a shopping mall is a starting point to explore more about shopping malls in India.

The present research focuses on studying the cost leadership strategy with special reference to the retail firms (various formats of retail) in The Great India Place (TGIP) Shopping Mall, Noida (UP). This retail and entertainment complex houses practically all modern formats of retail to meet the demand of all ages. It is a world class integrated shopping destination with theme park, cinemas, restaurants and chain of various stores on multiple floors.

Objectives of the Research:

The present study aims to achieve following objectives:

- To undertake a detailed review of literature on the strategic dimension of retail firms in shopping malls.
- To study the alignment and relevance of the retail firms within TGIP and their business orientation.
- To analyze the cost leadership strategy of retail firms in The Great India Place (TGIP) shopping mall, Noida (UP) with respect to income of respondents.

Research Design Formulation:

The research design employed to satisfy the objectives in this research is descriptive research.

Data Collection Methods:

Data involves the collection of both the secondary as well as primary data.

Primary Data: Collected by the survey method using a structured and non disguised questionnaire for the consumers and the TGIP retailer stores. The questionnaire contains 26 variables which denote the various parameters which impact the consumer attitude towards different promotional activities performed by the apparel retail outlets. On these 26 variables first I have applied the factor analysis for reducing the data, and got 9 components from 26 variables. These 9 components are the linear combination of 26 original variables. The collection of information was by way of researcher's own observation in TGIP shopping mall.

Secondary Data: collected through various magazines, books, journals and websites.

Designing the Sample: Sample Frame: For this research work, the sample selected was from the total consumer's visiting the TGIP shopping mall. The consumer's surveyed were 1069, visiting various retail stores in TGIP on week ends and on working days.

Sample Size: For consumer survey: 1069 and for retail survey-30, 10 retailer's from each floor of TGIP (Ground, I & II floor).

Sample Extent: The scope of the study is restricted to The Great India Place (TGIP) Shopping Mall, Noida (UP) India.

Hypotheses of the Study:

To achieve the objectives of the present study, following hypotheses were formulated and tested:

Customer's perception on cost leadership strategy : Analysis of Data Related to the Applicability of Cost Leadership (Parameter of Porter's Generic Competitive Strategies) for TGIP Shopping Mall.

The 12 variables of cost leadership as perceived by various:

❒ Occupational groups (Students, Business Person, Professional, Govt Employee and Private Job)

For validation of the hypothesis the demographic component chosen are:

❒ **Income wise** (Rs 50,000 – 1.5 lacs, Rs. 1.5-2.5 lacs and above Rs. 2.5 lacs)

The results of each variables of cost leadership strategy with reference to the above-mentioned demographic variables are presented with proper interpretation.

Hypotheses framed to test Cost Leadership Strategic Variables of Porter's Generic Competitive Strategy with respect to the Income of Respondents:

- There is no significant difference in the opinion of respondents when analysed (income wise) on the preference given by customers for the lowest cost of product in TGIP shopping mall.
- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference to the special consideration given to rebate and discount on purchase.
- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference to the consumer promotion offers in retail firms.
- There is no significant difference in the opinion of the when analysed (income wise) respondents with respect to their plan of buying on a low price day.
- There is no significant difference in the opinion of the when analysed (income wise) respondents with respect to their preference to maximise low cost related factor through exchange offers in certain stores.
- There is no significant difference in the opinion of the when analysed (income wise) respondents with respect to their preference to opt to, "buy more and save more" kind of offers in order minimise unit cost of product.
- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference to encash on the types of schemes such as Zero percent financing, reward points etc.
- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their search for a product bearing lowest cost rather than being a store loyal purchaser.
- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference to the nearest store (Location convenience) bearing low cost of merchandise in TGIP.
- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference given to get the best price for the product.
- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference given to check the price of even the small items.
- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference given to compare the prices of at least a few brands before they choose one.

DATA ANALYSIS AND FINDINGS

TGIP shopping mall, the shining jewel in the crown of Noida (UP) is one of the largest malls in the country. Designed by Callison Inc the interior theme is "shoppertainment", which integrates shopping and entertainment in the same premises. M/s International Recreation Parks Pvt Ltd, joint venture organization by Unitech Limited and International Amusement Ltd, is developing the project. This mall is part of the larger entertainment city announcement park. TGIP follows a zoned concept with home and grocery on the basement level, women's apparel on one side, men's on the other; the 180000 sq ft food and entertainment zone (Bars, Disco Theaters and Multiplex) on the top floor. This shopping mall has a 6-screen Ad labs multiplex, with total seating capacity of 1220 seats. A total number of 297 units at TGIP exemplify a vivid range of diversity offering, a perfect blend of brand mix cutting across all genres. With 4 entry and 4 exits, the mall boasts of a huge parking facility that can absorb 6000 cars at one go and a matchless feat that puts TGIP in a different league altogether. The parking area of this mall is 6, 00,000 sq ft. From the recent data in "Retailer Magazine (May 2011 issue)", the footfalls of this mall (per day) on week days are approx 45,000 and on week end's 135,000.

Top performing anchor stores of Pan India are available at this mall. The area allotted to the 7 anchor stores is 4, 21,824 sq ft. The unprecedented experience that TGIP offers to every customer visiting here is further testified by the fact that mall witnesses the highest footfall both on weekdays and weekends. During March' 2011, TGIP created an all India record of 3, 37,000 footfall on a single day. The average footfall on weekdays is 65,000 and on weekends is 300,000.The total area of this shopping mall is 147 acres, with a total built up area as 35 acres. The leasable area is 20 acres with 4 atrium area. The availability of total outlets (as on June'2011) is 258 units. The area covered by Food court is 75,000 sq ft (Retailer Magazine, June' 2011 Issue).

ANALYSIS OF DATA RELATED TO THE APPLICABILITY OF COST LEADERSHIP (STRATEGIC) PARAMETER OF PORTER'S GENERIC COMPETITIVE STRATEGIES FOR TGIP SHOPPING MALL

This section deals with 12 variables of cost leadership as perceived by various occupational groups (Students, Business Person, Professional, Govt Employee and Private Job) and income wise (Rs 50,000 – 1.5 lacs, Rs. 1.5-2.5 lacs and above Rs. 2.5 lacs). The results of each variables of cost leadership with the above respondent's background variables are explained by giving proper interpretation.

Comparison of variables of cost leadership among three income group respondents (I1= Rs. 50,000-150,000, I2= Rs 150,000-250,000 and I3 = above Rs. 250,000)

The 12 variables of cost leadership and the interpretation of each variable with respect to the income of respondents is deliberated below (Table 4.1):

Attention to lowest cost of product (A1): The F-value indicates that there has been significant difference in the opinion of the respondents (income wise) with respect to the cost leadership variables that is, preference given by customer for a lowest cost product in TGIP shopping mall.

The significant pairs identified are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(b) Rs 150,000-250000 (I2) Vs Above Rs. 250,000 (I3)

These pairs differ significantly in their opinion with respect to giving preference to the lowest cost product at the retail store in TGIP shopping mall. The significant pairs found are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(b) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

The above pairs differ significantly (at 0.05 % level of significance) in their opinion on the above cost leadership variable.

Special consideration to rebate and discounts (A2): The F-value in Table 4.1 indicates that there has been significant difference in the opinion of the respondents (income wise) with respect to the cost leadership variable i.e., special consideration given to the various rebate and discounts in the TGIP shopping mall.

The significant pairs identified are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(c) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

These pairs differ significantly in their opinion with respect to the above cost leadership variable.

Look for consumer promotional offer (A3): The F-value in Table 4.1 indicates that there has been significant difference in the opinion of the respondents (income wise) with respect to the cost leadership variable mentioned above. The significant pairs found in this case are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(d) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

Thee pairs have significant difference in their opinion on the cost leadership variable that, they visit TGIP shopping mall more attracted by the consumer promotional offer.

Plan purchase on low price day (A4): The F-value indicates that there is significant difference in the opinion of the respondents (income wise) with respect to the cost leadership variable i.e., planning purchase from TGIP on a low price day. The significant pairs identified are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(b) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

These pairs are significantly different in their opinion on the above-mentioned cost leadership variable.

Maximize low cost related factor through exchange (A5): The F-value here indicates that there has been significant difference in the opinion of respondents (income wise) on the cost leadership variable i.e., customers maximize low cost related factor through exchange of goods in TGIP shopping mall. It is also evident from the mean values of the 3 income groups. The significant pairs identified are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(b) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

These respondents (pairs) have significant difference in their opinion on the above cost leadership variable.

Opt "buy more and save more" kind of offers (A6): The F-value again indicates that there has been significant difference in the opinion of the respondents (income wise) with respect to the cost leadership variable, "opting buy more and save more" kind of offers from TGIP shopping mall. The significant pairs (at 0.05 level of significance) identified are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I2)

(b) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(c) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

These respondents (Income group pairs) have significant difference in their opinion on the above cost leadership variable.

Encash schemes like, zero percent financing, reward points (A7): The F-value indicates that there has been no significant difference in the opinion of the respondents (income wise) with respect to the cost leadership variable, encashing schemes like, zero percent financing reward points, while purchasing products from TGIP shopping mall. The significant pairs observed are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(b) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

These respondents (pair of income groups) have no significant difference in their opinion on the above cost leadership variable.

Search for a product bearing lowest cost with no store loyalty (A8): The F-value in Table 4.1 indicates that there has been significant difference in the opinion of the respondents (income wise) with respect to cost leadership variable, "search for a product bearing lowest cost with no store loyalty". The significant pairs identified are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(b) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

Here, these respondents with the above income slabs have significant difference in their opinion on the above cost leadership variable.

Nearest store bearing lowest cost – location convenience (A9): The F-value indicates that there has been significant difference in the opinion of the respondents (income wise) with respect to the cost leadership variable. "Preference given by customers to the nearest store bearing lowest cost of product (location convenience)". The significant pairs analysed are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(b) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

The respondents with the above salary slabs, significantly differs in their opinion on the above cost leadership variable.

Best price bargain (A10): The analysis of the data and the F-value indicates that there has been significant difference in the opinion of the respondents (income wise) with respect to the cost leadership variable i.e., availing best price bargain by the respondents (customers) from the retail firm in TGIP shopping mall. The significant pairs of the respondents (income wise) identified are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(b) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

The respondents with the above salary slabs, significantly differs in their opinion on the above cost leadership variable.

Check the price of even smallest item (A11): The F-value indicates that there has been significant difference in the opinion of the respondents (income wise) with respect to the cost leadership variable i.e., checking the price of even smallest item by the customers in the TGIP shopping mall.

The significant pairs of the respondents when analysed income wise, indicates the following pairs:

(A) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(b) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

The respondents having the above salary slabs, significantly differs in their opinion on the above cost leadership variable.

Comparing prices of few brands across stores (A12): There has been significant difference in the opinion of the respondents (analysed income wise) with respect to the cost leadership variable i.e., comparing prices of few brands across stores in TGIP shopping mall. This has become evident by analyzing the mean values and the F-value. The significant pairs identified are:

(a) Rs. 50,000-150,000 (I1) Vs Above Rs. 250,000 (I3)

(b) Rs. 150,000-250,000 (I2) Vs Above Rs. 250,000 (I3)

These pairs of income slab of the respondents, significantly differs in their opinion on the above cost leadership variable.

CONCLUDING OBSERVATIONS

The tenant-mix of this shopping mall has strategic placement of the anchor stores. The placement of these anchor stores is attracting the customers from the 4 entry gates. Globus and Lifestyle covers the right and the left side of the main entrance of the mall (the original entrance which was the only single entrance till 2008). During 2011 the mall opened from the four sides. Marks & Spencer is located at ground floor (the mid area of the mall), again attracting the customers entering from the mid gates. Shopper's Stop and Pantaloon's are placed at the opposite side (of the main entrance described above) of Globus and Lifestyle on the ground floor. The ground floor is for the masses which attracts the customers from the varied demographic profile. The retail firms on this floor have more promotional schemes/discounts/price off's/seasons sale available to attract the major target audiences (lower and upper middle class of the society- refer table 4.1).

HYPOTHESES FRAMED TO TEST COST LEADERSHIP STRATEGIC VARIABLES OF PORTER'S GENERIC COMPETITIVE STRATEGY WITH RESPECT TO THE INCOME OF RESPONDENTS (REFER TABLE 4.1)

Hypothesis 1- There is no significant difference in the opinion of respondents when analysed (income wise) on the preference given by customers for the lowest cost of product in TGIP shopping mall.

From the analysis of cost leadership strategic variables, it was observed that respondents with respect to their income significantly differs (significant at 0.01 level) in their opinion in giving attention to the lowest cost of the product purchased from a retail firm in TGIP shopping mall. Hence, the formulated hypothesis mentioned above is rejected. Thus, the 3 income groups don't agree to this cost leadership variable that they give preference to the lowest cost of product in TGIP shopping mall. The higher income slab customers visits TGIP and buy high price (premium priced) products as well. For them cost is not a detrimental factor.

Hypothesis 2- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference to the special consideration given to rebates and discounts on purchase.

The researcher did the analysis of the cost leadership variables. The data reveals that respondents with respect to their income significantly differ (significant at 0.01 level) in their opinion in considering rebates and discounts on purchase. Therefore, this hypothesis is rejected. Lowering of price because of rebates and discounts is not the factor which influences their visit to a retail firm in TGIP. This proves the fact that the customers with high income never plan their visit because of the available rebates and discounts in TGIP. Neither are they attracted by the retail firms which have rebates and discounts. They prefer visiting TGIP to buy products of their choice and likings

Hypothesis 3- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference to the consumer promotion offers in retail firms.

From the analysis of cost leadership strategic variables, it was observed that the respondents with respect to their income significantly differ (significant at 0.01 level) in their opinion in searching consumer promotion offers in retail firms in TGIP. Therefore, this hypothesis is rejected. This justifies the fact that the customers with high income never plan their visit because of the available promotional offers at a retail firm/s in TGIP. Neither are they attracted by the retail firms which publicize promotional offers. They prefer visiting TGIP to buy products of their choice, lower price because of promotion offers is not the influencing factor for their visit to a retail firm in TGIP.

Hypothesis 4- There is no significant difference in the opinion of the when analysed (income wise) respondents with respect to their plan of buying on a low price day.

The researcher did the analysis of one of the cost leadership variables. The data reveals that respondents with respect to their income significantly differ (significant at 0.01 level) in their opinion to plan their purchases on low price day in certain stores in TGIP. Therefore, this hypothesis is rejected. Again, the high income customers don't wait for low price day in TGIP.

Hypothesis 5- There is no significant difference in the opinion of the when analysed (income wise) respondents with respect to their preference to maximise low cost related factor through exchange offers in certain stores.

From the analysis of cost leadership strategic variables, it was observed that the respondents with respect to their income significantly differ (significant at 0.01 level) in their opinion to maximise low cost related factor through exchange offers in certain stores in TGIP. Therefore, this hypothesis is rejected. Thus, the customers (with 3 different income slab) don't agree to this cost leadership variable that they maximise low cost related factor through exchange offers in certain stores in TGIP. The higher income slab customers visits TGIP and buy products of their choice, rather waiting for exchange offers for their visits. For them cost benefit because of exchange offers is not a detrimental factor.

Hypothesis 6- There is no significant difference in the opinion of the when analysed (income wise) respondents with respect to their preference to opt to, "buy more and save more" kind of offers in order minimise unit cost of product.

The researcher did the analysis of the cost leadership strategic variables. The data reveals that respondents with respect to their income significantly differ (significant at 0.01 level) in their opinion to go for "buy more and save more" kind of offers to minimise unit cost of product. Therefore, this hypothesis is rejected. The customers with higher income are not attracted by "buy more and save more" kind of offers to plan their visit of TGIP.

Hypothesis 7- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference to encash on the types of schemes such as Zero percent financing, reward points etc.

From the data analysis of cost leadership strategic variables, it was observed that the respondents with respect to their income had similar views to encash on the types of schemes such as Zero percent financing, Reward points etc. Therefore, this hypothesis is accepted. Here all the customers (with different income slab) visit those retail firms in TGIP which provides zero percent finance, reward points types of benefit.

Hypothesis 8- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their search for a product bearing lowest cost rather than being a store loyal purchaser.

The researcher did the analysis cost leadership variables. The data reveals that respondents with respect to their income significantly differ (significant at 0.01 level) in their opinion in searching a product bearing lowest cost rather than being a store loyal purchaser. Therefore, this hypothesis is rejected. This proves the fact that the customers with high income never plan their visit because of the available low cost at retail firms in TGIP. Neither have they searched the retail firms which give cost benefit to customers.

Hypothesis 9- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference to the nearest store (location convenience) bearing low cost of merchandise in TGIP.

From the data analysis of cost leadership strategic variables, it was observed that the respondents with respect to their income significantly differ (significant at 0.01 level) in their opinion in preferring the nearest store (location convenience) bearing low cost of merchandise in TGIP. Therefore, this hypothesis is rejected. Usually the higher income earning customers don't give importance to the location convenience of retail firms providing low cost merchandise.

Hypothesis 10- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference given to get the best price for the product.

The researcher did the analysis of the cost leadership variables. The data reveals that respondents with respect to their income significantly differ (significant at 0.01 level) in their opinion in giving importance to the best price of the products they buy from TGIP. Therefore, this hypothesis is rejected. This justifies the fact that the customers with high income never plan their visit because of the availability of economical pricing at a specific retail outlet. Neither are they are lured by the retail firm with the best prices. They prefer visiting TGIP to buy products of their choice and likings.

Hypothesis 11- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference given to check the price of even the small items.

From the analysis of cost leadership strategic variables, it was observed that the respondents with respect to their income significantly differ (significant at 0.01 level) in their opinion in checking the price of even for the small items in TGIP. Therefore, this hypothesis is rejected. This proves the fact that the customers with high income never plan their visit at TGIP to check the low price of the smallest item. Neither are they attracted by the retail firms which strategies low prices of products every now and then.

Hypothesis 12- There is no significant difference in the opinion of the respondents when analysed (income wise) with respect to their preference given to compare the prices of at least a few brands before they choose one.

The researcher did the analysis of the cost leadership variables. The data reveals that respondents with respect to their income significantly differ (significant at 0.01 level) in their opinion in comparing the prices of at least a few brands and they choose one from TGIP. Therefore, this hypothesis is rejected. This elaborates the fact that the customers with high income never plan their visit to compare prices of products in TGIP.

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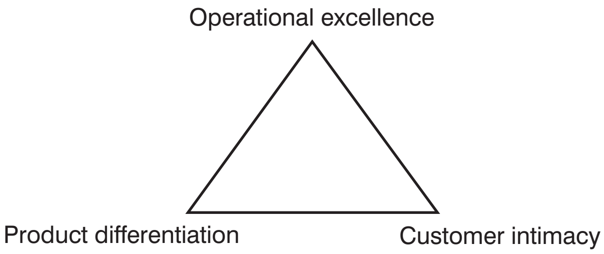


Fig. 1: Strategies to Achieve Competitive Advantage
Source: Gibson. G Vedmani, "Retail Mgt",
Jaico Impression, 3rd Edition, Page 81.

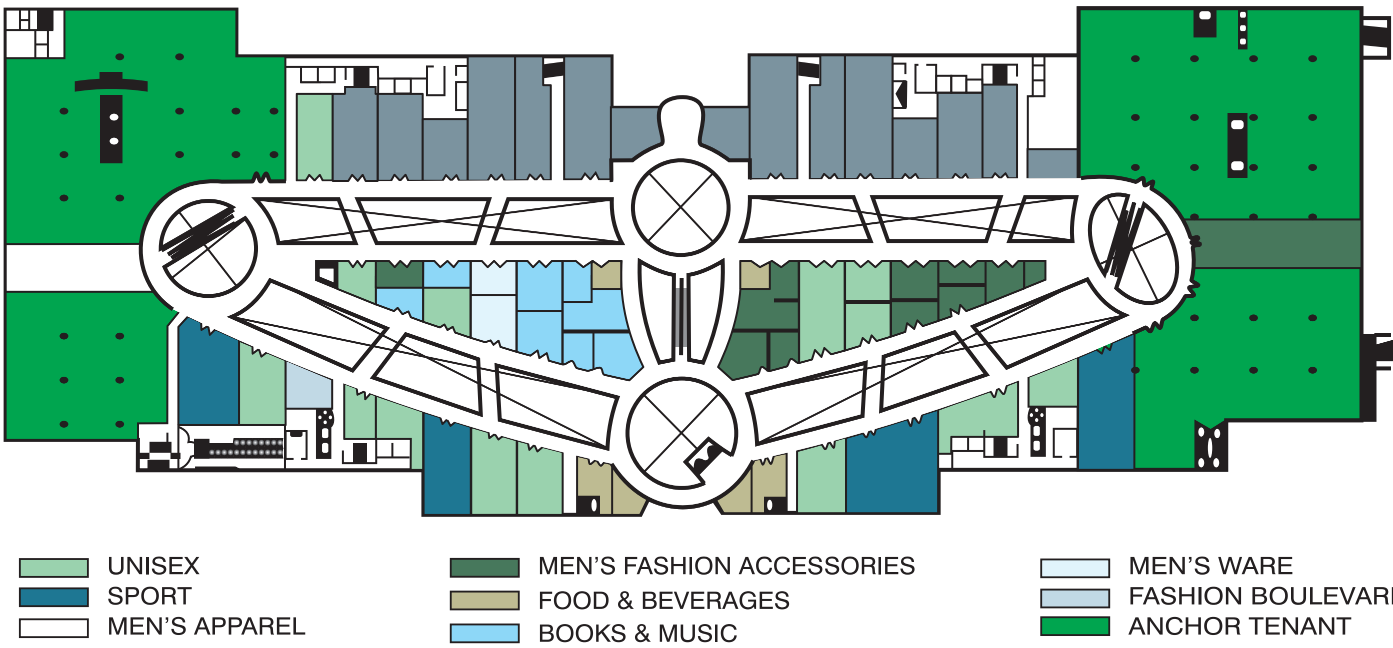
II LEVEL (BOTH)

I LEVEL (APPARELS FOR MEN)

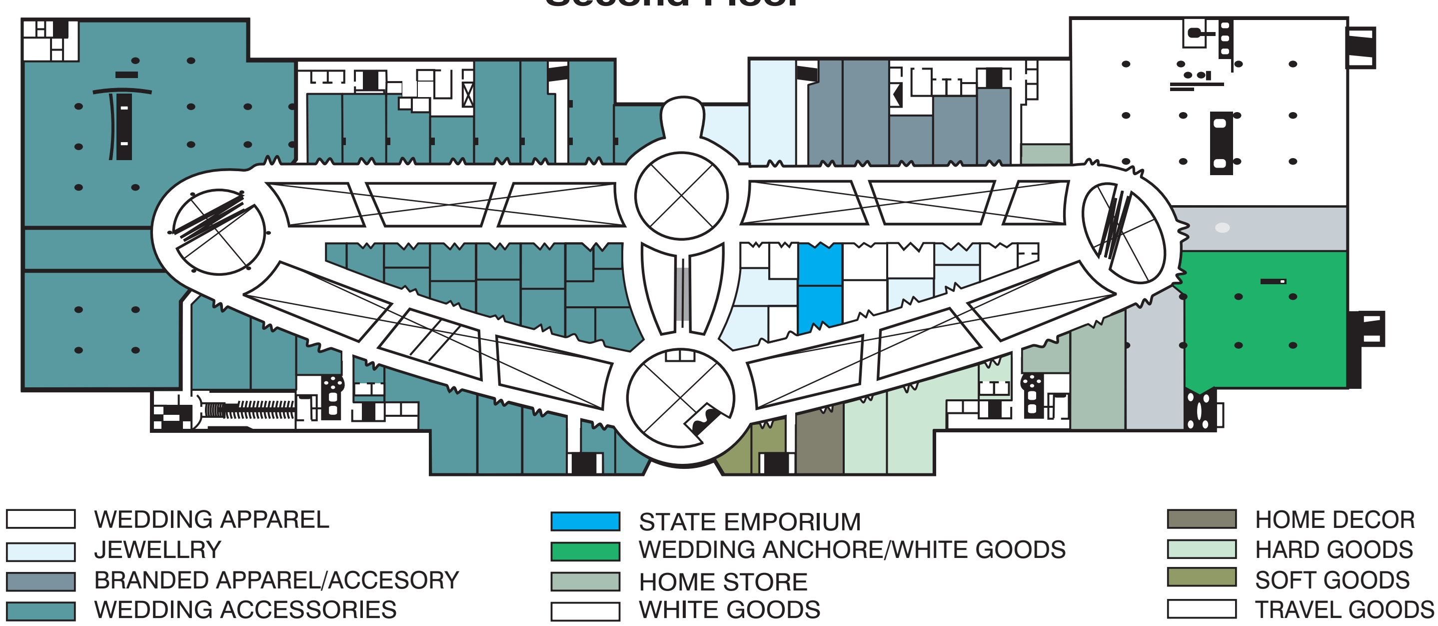
0 LEVEL (MOSTLY WOMEN APPARELS)

Fig.2: Retail Stores in TGIP (Floor levels described)

First Floor



Second Floor



Third Floor

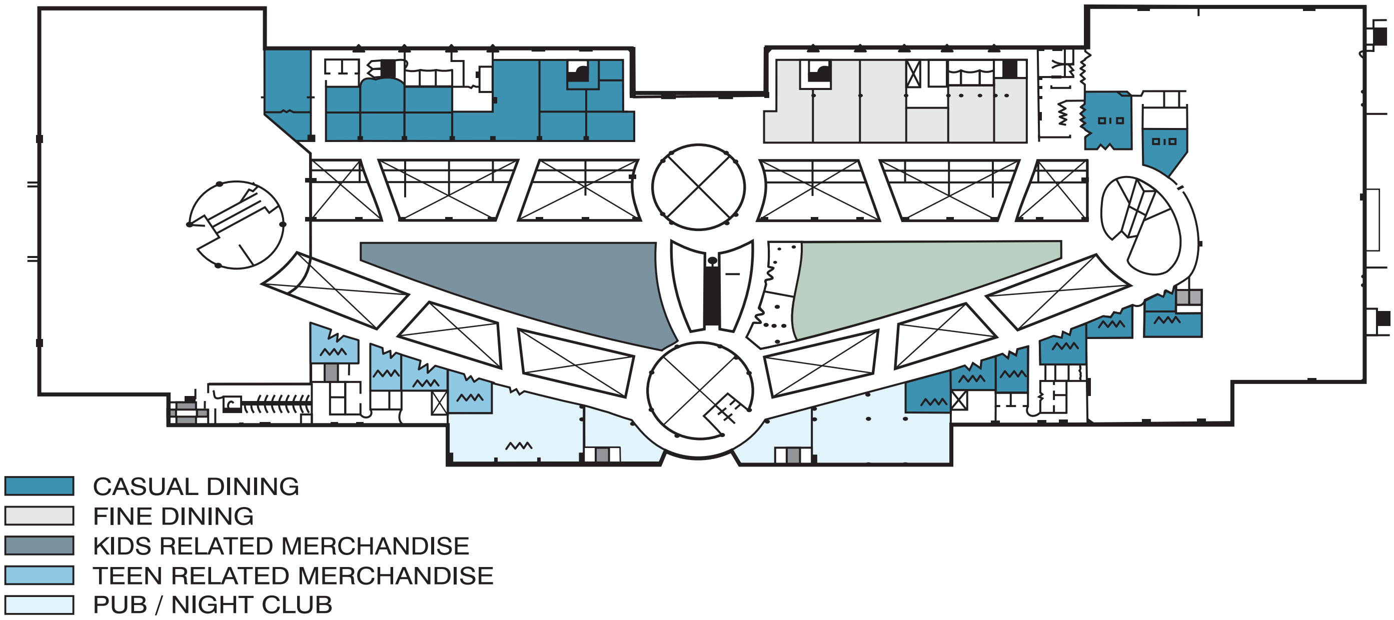


Fig.3: Floor wise Description of Retail Stores

Table 1 : Competitive Strategies of Retail

	Price			
		High	**Medium**	**Low**
Quality	High	Premium strategy	High value strategy	Super value strategy (Loss Leader)
	Medium	Over charging strategy	Medium value strategy	Good value strategy
	Low	Rip-off strategy	False economy strategy	Economy strategy

Source: Gibson G. Vedmani, Retail Mgt, "Retail Strategies" Jaico Impression, 3rd Edition, Page 81.

Table 2: Tenant Mix of the TGIP Shopping Mall (Apparel Stores)

ANCHOR STORES	FASHION FOR ALL (APPARELS)	LADIES EXCLUSIVE APPARELS
Life style	Marks & Spencer	Biba Apparels
Max Lifestyle	Monte Carlo	Bizzarre
Pantaloons	Numero Uno	Bombay Selection
Shopper's Stop	Octave Apparels	CTC Emporium
Globus	Pepe Jeans	Enamor
Big Bazaar (apparel section)	Provogue	Nehel's
FASHION FOR ALL (APPARELS)	**FASHION FOR ALL (APPARELS)**	**LADIES EXCLUSIVE APPARELS**
Allen Solly	Spykar	Good Things
Bossini	Tedlapidus	Jean Paul
Celio	United Colors of Beneton	Kalpana
Freelook	Uni Style Image	Kilol
Fab India	Van Heusen	Kazo
Giovani	Wills Lifestyle	La Lingarie
Rockport	Wrangler	Madame
Adidas	Reebok	Meena Bazar
Inexcess	Lacoste	Nun
Lee	Lerros	Ritu Kumar
Cantabil	**LADIES EXCLUSIVE APPARELS**	Satya Paul
Levi's	Zardozi	Shaw Brothers
Levi's Signature	Reebok-Performance	Tana Bana
Louis Philippe	Afsana	W
Flying Machine	Miss Morella	GFO
Color Plus	Mi-Clothing	Akaar
Puma	Fi	Faiei
Raymonds	Sangrah	
Blackberry's		

Table 3: The Floor Wise Retail Tenant Mix of TGIP

(a) GROUND FLOOR OF TGIP.

1. Lifestyle	26. Pantloons	51. Hi-design
2. Bossini	27. Allen Solly	52. Kalpana
3. Metro Shoes	28. Celio	53. Espirit
4. Woodland	29. Kazo	54. D & A Shoes
5. Tanas bania	30. Lilliput	55. Bizzare
6. P-3	31. Adidas Casual	56. Meena Bazaar
7. Bombay Selection	32. Wills Lifestyle	57. Meena Bazaar
8. Dockers	33. Kilol	58. Zodiac
9. M & B Footwear	34.	59. Reebok Performance
10 Nakshatra	35.	60. Free Look
11. Creative Lifestyle	36. Costa Coffee	61. Bg's
12. Hush Puppies	37. KFC	62. Bg's
13. Marks & Spencer	38. Pizza Hut	63. Optique
14. marks & Spencer	39. Zardozi	64. Maya Toys
15. marks & Spencer	40. Feradini	65. Cygnus
16. United Colors of Benetton	41.	66. Da Milano
17. Feminine	42. W	67. Foot Steps
18. levis Flag Ship	43. Om Book Shop	68. Biba Apparels
19. Levi's	44. CTC Plaza	69. Archies Ltd
20.	45. Globus	70. Fi
21. Giovani	46. GFO	71. Dimensions
22. Shopper's Stop	47. GFO	72. Swiss Military
23. Pantaloons	48. Vansons	73. Hallmark
24. Pantaloons	49. Vansons	74. Titan
25. Pantloons	50. Bonton	75. Tedlapetus

(b) FIRST FLOOR OF TGIP

101 Lifestyle	128 Spykar	147 Wrangler
102 Lifestye	129 Reebok Classic	148 Blackberry's
103 Monte Carlo	129 A In Excess	149 Blackberry's
104 Gujralsons	130 Nike	150 Parx
105 Reid & Tailor	131 Lives	151 La Lingarie
106 Pall Mall	131A Jean Paul	152 Ritu Kumar
107 Louis Phillip	132 Slurt Food	153 Portland
108 Color Plus	133 Swatch	154 Pitu Kamgi
109 Provogue	133 A Rockpit	155 Satya Paul
110 Luxor	134 Poloclub	156 Satya paul
111 CCD	135 Lee	157 The time factory
112 Nokia	136 The Body Shop	158 Himalaya Optical
114 Peter England	136 A The Mobile Store	159 Reebok Juniors

115 Study by Jannak	137 Numero Uno	160 Lacoste
116 Raymond	138 Planet M	161 Kodak
117 Samsonite	139 United Colors of Benetton	162 Cantabil
118 Lerros	140 Reebok	163 Unistyle Image
119 Mohanlal Sons	141Globus	164 Flight Shop
121 Kapoor Watch Co	142 Paisley	165 Madame
122 Shopper stop	144 Zod	166 Liberty
123 Van Huesen	145 Moustache	167 Crocs
124 Pantaloons	146 Gili World	168 Liberty
125 Pantaloons	147 Wrangler	169 Levi's Signature
126 Adidas		170 VIP
127 Poze		171 Aakar

(c) SECOND FLOOR OF TGIP.

201 Life style	227	244 IFB
202 Me n Mom	228 Splash	245 Mardigrass
203 Casio	222 Shopper Stop	246 Brite
204 Toonkids	223 Max lifestyle	248 Bose
205	229 Pepe Jean London	247 Stepping Stone
206	230 Sangagh the design	250 Focal Point Optician
207 Carlton London	231 Studies	251 Fab India
208	231A	252 Zest
209 Haunted House	232	253 Vivid
210 Bikano	232 A	254 Vivid
211	233 Panasonic	
212	234	
213 Samsung	235 A Philips	
214 Octave Apparels	237	256 Soffie
215 Fundoo Place	238 Blond & Bliss Spa	257 Skope
216 Catmoss	239	258 Indigo
217 Fahren Heit	240 Odyssey	259
218 Gatha	241	260 Men.Xs
219 Afsana Collection	242 Gordon Max	261 Healing Touch
221 Shopper Stop	243 Gordon Max	262 LG
222 max Lifestyle		263 LG
223 Max Lifestyle		264 Unique Pet
224 bata India		265 S Chand Publishing
225 Sales House		266 Raha Spring Matress
226 GKB Optical		267 Tamara (Furniture)
		269 Shaw Brothers
		270 Enamor
		271 Hoop

(d) THIRD FLOOR OF TGIP

300 Food Court	308 Yo China	322 Mandarin
300 Co Bowling Alley	309 Sagar Ratna	320 A Masakali
300 O'Bar	309A Sagar Ratna	323 Sbarro
300 Noodle Bar	310 Rajdhani	324 Sharro
300 Adlabs	311 Rajdhani	325 Cocoberry
301 A Motimahal	312 enLive N Art	327 My Dollar Store
301 A Curry Express	313 Ice Cube	327 B Jumbo Electronics
302 A Daily Breads	314 Big Cinema's	327 C Osim
303 Nirulas	315 Big Cinema's	328 Staples
304 Chonas	319 Music Land	328 A Fits & Active (Gum & Sparsh & Spa)
305 Reverb (Disco)	321 B Pind Baluchi	
307 Tandoori Village		

Table 4.1 : Comparison of variables of Cost leadership among three income group Respondents (I1= Rs 50,000 – 150,000, I2 = Rs 150,000 – 250,000, I3 – above Rs 250,000)

Variable Cost Leadership	I_1 =(N=108)		I_2 =(N=108)		I_3 =(N=487)		Significant Pairs (*)			F – Value
	Mean	SD	Mean	SD	Mean	SD	I1 Vs I2	I1 Vs I3	I2 Vs I3	
Attention to lowest cost of product (A1)	4.10	1.17	3.89	1.22	2.75	1.20		*	*	94.80**
Special consideration to rebate and discounts (A2)	4.10	1.00	4.00	0.83	3.29	1.09		*	*	47.41**
Look for consumer promotional offer (A3)	4.11	1.04	4.08	1.00	3.26	1.08		*	*	58.02**
Plan purchase on low price day(A4)	3.94	1.00	3.73	1.00	2.94	0.90		*	*	80.31**
Maximise low cost related factor through exchange (A5)	3.95	1.05	3.90	1.13	3.20	1.16		*	*	35.01**
Opt "Buy more and save more" kind of offers (A6)	4.14	1.00	3.8	1.14	3.60	1.04	*	*	*	13.00**
Encash schemes like, zero percent financing, reward points (A7)	3.80	1.09	3.52	1.13	3.57	1.02	*	*		2.57 NS
Search for a product bearing lowest cost with no store loyalty (A8)	3.81	1.03	3.58	1.14	3.01	0.94		*	*	40.13**
Nearest store bearing lowest cost—location convenience (A9)	3.48	1.04	3.42	1.11	2.75	1.01		*	*	40.34**
Best price bargain (A10)	3.89	0.95	4.06	0.91	3.25	1.01		*	*	53.84**
Check the price of even smallest item (A11)	3.84	1.00	3.83	0.89	3.09	1.00		*	*	53.96**
Comparing prices of few brands across stores (A12)	3.86	0.99	3.92	0.91	3.06	0.95		*	*	70.31**

** Significant at 0.05 level*
*** Significant at 0.01 level*
NS- Not Significant
Note: Figures in parenthesis are the percentages of total respondents in each category shown in column heading.