

Business Line

Date:05/10/2010 URL:

<http://www.thehindubusinessline.com/2010/10/05/stories/2010100554390500.htm>

[Back](#) **Local markets are festival favourites**

Chitra Narayanan

Bindu D. Menon

New Delhi, Oct. 4

With Dussehra and Diwali – big occasions for shopping – around the corner, malls and local markets are already beginning to deck themselves up. However, it's the local markets that seem to have a distinct edge, if you go by a new 12 cities survey on festival shopping habits of Indians done by Market Xcel, a market research company.

Over 65 per cent of those surveyed said they preferred local markets to modern retail when making their festival purchases. In the North, 84.1 per cent of shoppers said they preferred local markets.

The South, however, was the only exception to this trend, with malls getting 41.9 per cent of the festive shopping traffic compared to the 40.9 that went to the local markets and 36.6 per cent to modern retail outlets. “This trend is attributed to the profile, with a higher number of white collar executives residing in the south zone cities,” said Mr R. Vishal Oberoi, CEO, Market Xcel.

The findings are substantiated when you talk to the marketers. According to Mr Amitabh Tiwari, National Sales Head, LG Electronics India, “Currently modern retail contributes 6 per cent to the durables business. During festive season malls are generally very crowded and the consumer would like to spend some time to understand the product – that might be the reason for people to shift to an exclusive shop or multi-brand outlets.”

Mr Ajit Joshi, Managing Director and CEO of the Tata-owned Croma, however, says consumer durables and appliances are mostly destination-purchases. “We see offtake from both malls and high streets. As much as 35 per cent of the yearly business comes during the September-December period,” he said.

The Market Xcel survey also tries to understand why and what people buy during festivals. And which festivals see the biggest shopping splurge. Despite regional variations, such as Sankranti being big in the South and Holi in the North, Diwali, as expected, dominates the charts everywhere, except for the Eastern region, where Dussehra tops.

It finds that traditional beliefs are the biggest triggers for festival purchases with discounts being the second biggest trigger. Clothes dominate the purchase basket, followed by durables, household goods including utensils and jewellery.

The North has the big-ticket shoppers – with over 6 per cent of those surveyed spending Rs 10,000

and above.

Summing up, the survey says that in India with traditional beliefs driving shopping during religious festivals, we really do not need to create branded festivals such as Dubai Shopping Festival.

© Copyright 2000 - 2009 The Hindu Business Line