



IDENTIFICATION OF COMMON PATTERNS OR FACTORS OF SUCCESSFUL SHOPPING MALLS IN INDIA – A CASE STUDY APPROACH

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ABSTRACT

India has 570 operational malls (as of May 2013) with a total area of 180 million sq ft. At present shopping mall is playing a big role in the Indian organized retail. Mall or Shopping centre development is a direct function of the health of the country's organized retail and the real estate sector in general. Driven by a growing economy, changing lifestyles, strong income growth and favourable demographic patterns, malls in India are expanding at a rapid pace. The malls in India today are reflections of lifestyles of catchments. Shopping centres, today are more than just shopping avenues. But to make a mall run successfully in today's cut throat competition, management has to provide all the possible services to the customers of all age group. And quite a lot depend on relation between tenants (small retailers) and mall management.

This research paper attempts to find out common patterns or factors of successful malls of India. For the purpose of this study, researcher takes three case studies of highly successful malls such as Forum Mall (Bangalore), Select Citywalk (Delhi) and Ambience Mall (Gurgaon). These three malls are constantly following innovative things which not only help them to attract the customers in large numbers and making them loyal but also help them to earn good amount of profit in this cut throat competition era and put them in top list of successful Indian malls. After the analysis of the study, researcher suggests that both mall management and tenants should work together and offer the customers a complete experience which includes a good variety of products, a good number of eating outlets and attractive fun & entertainment of all age's customers.

I) INTRODUCTION

The size of India's retail market is estimated to be 31 trillion Rs. in 2013-14, with a CAGR of 15% over the last five years. It is predicted to grow to 55 trillion Rs. in 2018-19, and out of that, organized retail or modern retail sector is projected to be 5.5 trillion Rs. [KPMG (2014)].

Shopping Mall development is a direct function of the health of the country's organized retail and the real estate sector in general. Shopping mall means group of number of small and big independent retail stores doing business in malls in different formats (such as department store, hypermarket, supermarket, specialty store, restaurant, multiplex etc.). That means all formats of organized retail sector are available in malls. Customers are getting shopping (from variety of branded stores), dining and entertainment under one roof. Therefore, people are shifting their preferences to malls from traditional retailers. Malls give large scale employment opportunities to people. The occupancy and success of a mall is largely depend on the relation of tenants (small retailers) and mall management. But there are certain issues of this tenants which should be addressed of first. This paper highlights the common patterns or factors of three successful malls of India and also suggests some strategies for other malls to follow.

II) REVIEW OF LITERATURE

Jobber (2001) revealed factors that could be important in strategy of building successful shopping centre brands: 1) Being first; 2) Quality; 3) Positioning; 4) Repositioning; 5) Long term perspective; 6) Internal Marketing; 7) Credibility; and 8) Well-blended Communication. Dennis C. et al. (2002) conducted a survey on 287 shoppers in 6 U.K. shopping centres to find out the branding of exemplar shopping malls. They found out 'top ten' attribute weights to brand image ranked by shoppers in order of their importance such as: 1) General layout; 2) Access by car (road); 3) Nice people to spend time; 4) Cleanliness; 5) Covered shopping 6) Quality of stores; 7) Shoppers nice people; 8) Availability of toilets; 9) Friendly atmosphere; and 10) Helpfulness of Staff. It was also found out that, out of the above attributes, six related to service or experience. Researcher concluded that providing services and experiences to customers were important factors in building shopping center brand image and long term success.

El-Adly M. I. (2007) conducted a survey among shoppers consisted of UAE university staff to examine the attractiveness factors of UAE shopping malls from the shoppers' perspective and thereafter to segment shoppers by taking into account those factors. This study revealed six mall

attractiveness factors such as comfort, entertainment, diversity, mall essence, convenience, and luxury. It also found out three different mall shopper segments, such as relaxed shoppers, demanding shoppers, and pragmatic shoppers. Ahmed Z U. et al. (2007) conducted a survey by taking sample of 132 respondents from five university campuses in the Klang Valley region of Malaysia to find out their behavior relating to shopping malls in a non-western country, particularly Malaysia. This study found out that respondents were attracted towards shopping malls primarily by the mall's interior design/structure; brands that interested them; nice place for socializing with friends; and hassle-free one-stop shopping.

Dahiya Vivek (2008) carried out a detailed study of 10 malls in Delhi to evaluate the tenant mix in those malls. The study found out tenant mix in Delhi malls as follows: (1) Apparels - 33%; (2) Accessories (Bags, Footwear, etc.) - 18%; (3) Eating Out -16%; (4) Home Solution/Furniture - 8%. (5) Jewellery, Watches, Optical - 7%; (6) Health, Fitness, Beauty - 6%; (7) Departmental Stores - 4%; (8) Electronics - 3%; (9) Books, Music, Stationery - 3%; and (10) Fun and Entertainment - 2%. Patel Vipul (2008) conducted a survey in shopping malls located in Ahmedabad city of Gujarat in May 2007 and sample included 128 active mall shoppers. The study was done to find out the decision-making styles of Indian customers in shopping malls and to analyse the variations in these styles across different demographic variables. It was revealed that the average Indian customers, out of the samples taken, were not very brand conscious, but they were quite price and quality conscious. This study also revealed that single consumers were more price conscious than married consumers. Young consumers between the age group of 11-20 years were most recreational in their shopping than other consumers. Mehta Sandhya (2006) studied the preferences and shopping habits of 120 residents of Ludhiana city in Ansal Plaza Mall. The study revealed the ranking given by the sample people to the features of the mall in the order of preferences: Shopping experiences, Eating Joints, Entertainment, Apparel section, Jewellery, Music and Book section, Grocery section, Reasonable prices, Decoration items and Beauty salons.

III) OBJECTIVES OF THE STUDY

Following are the objectives of the study.

- to find out the common patterns or factors of successful malls of India.
- to give suitable suggestion and recommendation on the basis of the study.

IV) SCOPE OF THE STUDY

For the purpose of identifying common successful factors of malls, researcher takes three case studies of highly successful malls of India such as Forum Mall (Bangalore), Select Citywalk (Delhi) and Ambience Mall (Gurgaon).

V) LIMITATION OF THE STUDY

The present study has some limitations like:

- It is restricted to only three shopping malls of India.
- Geographical condition and Government rules of these malls may be different from other shopping malls.

VI) RESEARCH METHODOLOGY

This research study is mainly based on secondary method of data collection such as India Retail Report by Images, malls websites etc. All the data and information are properly classified and arranged in tabular form for the purpose of this study.

VII) RESULTS AND DISCUSSIONS

1) Case 1 - Forum Mall, Bangalore

Description of Malls	Successful Factors
<p>Beginning Year: 2004 Developed by: Prestige Group Total Mall Area: 650,000 sq. ft. Total Mall G.L.A: 350,000 sq. ft. Total Floors: G + Five Total Stores: 79 stores Total Anchor Stores: 3 Parking for 4-wheeler: Over 800</p> <p><u>USP Amenities:</u> Dual entry & exit points into the mall from two major roads with a frontage of over 350 ft. on each side.</p>	<ul style="list-style-type: none">● Location strategy: This mall get one of the best locations in the country, situated on the arterial thoroughfare that links the city's central business district to Electronics City. Mall has affluent residential catchment on its either side such as Koramangala and BTM Layout.● Zoning strategy: a) Stores of same categories are zoned together at each floor. b) Two anchor tenants are placed at each end and vanilla retailers in the middle. c) Food outlets like Macdonald, KFC and Pizza Hut are placed at each end on ground and first floor and food court is positioned on the second floor to attract consumers vertically up.● Tenant-mix strategy (% of total G.L.A): Retail (Shopping) – 50%

<p>Mall has one of the biggest multiplex in India.</p> <p>Visitor comfort zone on each floor.</p> <p>100% generator backup.</p> <p>Valet parking.</p> <p>Piped Music.</p>	<p>Food Outlets (F&B and Rest.) – 19%</p> <p>Fun & Entertainment – 31%</p> <p>(Multiplex & Gaming zone).</p> <ul style="list-style-type: none"> • Anchor-Vanilla Space strategy: <ul style="list-style-type: none"> Anchor space – 26% Vanilla space – 74% • Parking strategy: Basement, Surface + multi-level parking. Each parking level has direct access to their respective floors. Specific parking is allotted for autos and tour buses. • Mall introduce new concept of gifting Forum gift voucher which are available in the denominations of Rs. 1000.00, Rs. 500.00 and Rs. 250.00. These can be purchased by customers at the help desks against cash or credit cards. Customers can gift this voucher to his/her loved ones.
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2) Case 2 - Select City Walk, Delhi

Description of Malls	Successful Factors
<p>Beginning Year: October 2007</p> <p>Developed by Select Infrastructure Pvt. Ltd.</p> <p>Total Mall Area: 1.3 million sq. ft.</p> <p>Total Mall G.L.A: Over 5 lac sq. ft.</p> <p>Total Floors: G + 2</p> <p>Total Stores: 175 + stores</p> <p>Parking for 4-wheeler: 3 levels of parking for over 1,200 cars</p> <p>USP Amenities: One-of-its-kind scheme i.e. City Walk reward program. Forex Counter.</p>	<ul style="list-style-type: none"> • Target Segment: Mall focuses mainly on affluent women of South Delhi. • For attracting women of South Delhi, a major part of mall space is given to smaller stores. Several retailers of ethnic apparel and accessories are placed in the mall, just to replicate a typical market (such as South Extension or Greater Kailash) of South Delhi. • Zoning Strategy: Shops of similar customer base are in close proximity of each other, vertically or at same level. PVR multiplex is strategically located so people go round and round to ticket counter passing by the stores of mall, which stimulate impulse buying. • Outdoor landscaped open plaza, named ‘Saanskriti’, of approx. 100,000 sq. ft, which is used for national & international events and promotion. • Svelte Hotel and Personal Suites are located at the Select

<p>Optional Valet Parking. Driver Lounges & Base-ment Restrooms. Doctor on Call and Infirmary. Gift Wrapping.</p>	<p>CityWalk. It is a set of high end personal apartments for long staying guests.</p> <ul style="list-style-type: none"> • Biggest strategy of this mall is regular events, marketing and promotion for which it has got award at Asia Pacific Retail Awards 2008 and Images Retail Award in 2009.
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3) Case 3 – Ambience Mall, Gurgaon

Description of Malls	Successful Factors
<p>Beginning Year: October 2007 Developed by Ambience Developers and Infrastructure Pvt. Ltd. Total Mall Area: 1.8 million sq. ft. Total Mall G.L.A: 873,000 sq. ft. Total Stores: Approx. 250 outlets Total Anchor Stores: 10 Parking for 4-wheeler: More than 2,500</p> <p>USP Amenities: Multiple entry and exit points. Large screens to showcase ongoing events. All round piped music. Washrooms on each floor provided.</p>	<ul style="list-style-type: none"> • Mall has the best location i.e. a flat '0' km from south Delhi and a 8 lane approach on national express highway NH-8 and only 7 km away from international airport. • Large Size: Mall is having one kilometer of shopping experience on every floor. • Zoning Strategy: All similar category products are placed together in their respective zone at each level, for e.g. all footwear stores are in same zone. So that customers can easily compare design, price and quality etc. of different brand of the same product in that zone. • Biggest Entertainment zone: PVR multiplex, Fun city, largest 24-lane Bowling Alley, indoor Ice-skating rink i.e. I-Skate of 15000 sq. ft, fitness center, Golfworx - a virtual golf course and Rockman's beer island- i.e. a digital auditorium with state of the art technology and high voltage music system for corporate presentation, cultural performance, fashion shows, etc. • Hospitality: Mall is providing hospitality service also i.e. Hotel Leela Kempinski with 322 rooms. So, mall is proving to be a good tourist attraction.

VIII) CONCLUSION

Table 5.12 reveals that major successful reasons of all these Indian malls are adequate space allocation to retail, food & entertainment and proper zoning strategy. All of these malls have common features such as multiple entry and exit points, multi-level car parking, valet parking, piped music, large atriums, gift vouchers or reward program etc. which ensure maximum footfalls in the malls. Another common successful factor is placement of anchor stores. Anchor stores are the life-blood of the malls. They are considered very important in the malls because they are capable of attracting the crowd on their own which not only benefits them but the other small (or vanilla) retailers also.

Zoning in malls is done with practical consideration and catchment analysis. Brands that complement the particular zoning is given preference while leasing. In other words, all retailers (or tenants) of related product categories is placed in close proximity, so as to give variety to the customers. Majority of these malls are providing hospitality services also which help to attract the people not only from other cities or states of India but from outside the country also. Other successful strategies of these malls are clear target segment, regular events and promotions, 100% leasing, adopted successful revenue model and adequate fun and entertainment facilities.

IX) SUGGESTIONS

Nowadays, every customer seeks two major benefits from the shopping in the mall. First is overall experience in the mall and second all variety of goods under one roof. Individually, both mall developers and tenants (retailers) cannot meet the expectation of the customers satisfactorily. So, both mall developers and tenants should work together and offer the customers a complete experience which includes a good variety of products, a good number of eating outlets and attractive fun & entertainment of all age's customers. To connect with the people of the catchment, Malls in Mumbai should have community program also which should engage them in meaningful, qualitative and socially relevant exercises such as free workshops on home improvement, cooking, edutainment mall tour for kids, allowing people for morning walk at the mall premises etc. These programs add value to the local peoples' life and create a positive image in the minds of the people that the mall cares for the community.

It is also suggested that the design of the mall building should have visible stairs and entry and exit points. This helps in managing crowd in case of untoward eventuality. Adequate training to mall employees prevents them from panic, thereby minimizing casualties and losses. At the same

time, the fire-fighting equipment should be frequently checked and claddings should be safe. Adequate compartmentalization and water sprinklers in the mall helps in minimizing losses. Developers must take serious interest in fire safety measures within the stores also. This comprises the use of correct cabling, load calculations, fire resistant materials etc. In fact, mall safety is the responsibility of both – the developer and all tenants (retailers) of the mall. Malls in India should understand that mall management does not mean only facility management but also generally comprises operation management, marketing management, accounts management and customer service. It is normally a blend of services that factor in people, place, process and technology in a particular building.

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