



MARKETING STRATEGIES OF SHOPPING MALLS

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ABSTRACT

It has been seen since last decade that, shopping pattern in India is changing. Urbanized way of shopping trend is seen in almost all areas of the country. Even in grade 2 and grade 3 cities, shopping malls and marts are seen. People are accepting the trend of organized retail and mall concept. The paper throws light on the strategy of running malls and human nature. The paper gives details of positioning strategy for malls and the consumer behaviour with marketing mix. It concluded with shoppers and retail attributes temporal behaviour and impact of situation. The paper starts with introduction, significance, literature review, market mix, customer relation, marketing strategy and conclusion.

Key word: Marketing Mix, Marketing Strategy, Shopping Malls, Customer

1. Introduction

Amongst the basic and necessary human activities, shopping is one of the important activities. This activity is performed by every individual at certain level. Shopping is one of the most exciting activities in life. As the taste and the preference of shoppers change constantly, retail facilities have evolved in response¹ (Chu (2009)). Nowadays, the environments of many shopping centres are changed constantly and they are included

comprehensive services, facilities and entertainment so as to fulfil different needs from the customers. However, due to the change of customer behaviour and demand, the shopping centre is now not only a place for shopping, but also for a form of family entertainment and satisfying a social need. The effective marketing strategy implementing by the shopping centre manager becomes a critical element to achieve and sustain the customer needs, which can retain the customer and enhance the competitiveness to the shopping centre.

2. Significance of mall business

It has been observed that majority of shopping that goes on in malls is impulse or unplanned buying because of exposure to the products available at stores in Malls. Certain malls regularly arrange concerts, launch events, host shows to invite footfalls and thereby try to increase business. Most of the shopping malls do not have windows. This does not let customers know about the change in time leads to more time spending for shopping by the customers. Malls propagate novel marketing tools and their marketing strategies make them a unique business model¹.

The paper will be helpful for companies which are into Mall business to follow the customers. This paper will discuss problems at malls and expectations of customers. Effective marketing strategy can be adopted by them and decision can be taken if needed for modification or replacement. Different marketing strategies could be understood by policy makers for malls business. The field requirements can be adopted by framing new policies for sustenance of malls. Customer oriented marketing strategies could be developed by managers to get good sale.

3. Literature review

Dr. Gibson G. Vedamani² (2003) was written the book related with retail management some important points which are discussed here. They provides in-depth and enriched insights into all the functional areas of Retail Management. It comprehensively blends the global and Indian retailing scenarios and the trends and growth prospects for the retail industry in India. It explores the subject extensively – from basic retail topics like location planning and store planning to the current-age global themes like multichannel retailing and international retailing – along with appropriate illustrations and cases. While elucidating

retail store operating principles vividly, it also underscores the significance of the impact of technology & automation in today's retailing. The book serves as a suitable text for students specializing in retailing and as valuable reference for working professionals in this sector.

Philip Kotler³ (2012) in his book wrote some of the important points of marketing in malls. Marketing Management speaks of the markets of the 21st century and how they are affected by the forces of demand and supply. The reader is taken through the various factors affecting the prices of goods and services such as, the product mix, the distribution channels and the shift and movement in demand and supply. A South Asian Perspective focuses on the strategies of marketing development and its many facets. It throws light on topics which are essential for a well-built nation. The topics cover competitive strategies based on consumer sentiment, branding, creating brand equity, managing both personal as well as mass communication, analysing business as well as consumer markets and managing retailing, wholesaling and logistics. Key Features here is updated concepts and processes, with customer values as the centre around which the market it constituted.

Haiyan Hu and Cynthia R. Jasper⁴ (2007) in their paper understand the mature consumers' mall experience. Overall, the respondents in their study generally had favourable perceptions of shopping malls in terms of product selection, convenience, and opportunities for social interaction. They found five elements that are important for mature consumers to form an impression of the shopping malls they visited most often: convenience, choice, crowds, ambiance, parking, and hedonic shopping orientation.

Satnam Ubeja⁵ (2014) discussed with Reference to Shopping Malls in Indore, objectives of study were to investigate the effects of sales promotion mix on customer satisfaction in shopping malls of Indore city and to study the variations in these factors across different demographic variables. These sales promotion mix factors were Lucky and Bumper offers, Frequent and Warranty Offers, Monetary and Quantity Benefit Offers, Gift and Exchange offers and Discount offers. The study will help the managers of shopping malls to understand the underlying sales promotion factors on customer satisfaction of the shoppers in the malls and help them to craft their marketing strategies. Profiling customers by their choice of sales promotion mix provide more meaningful ways to identify and understand various customer segments and to target each segment with more focused marketing strategies. An attempt was made to profile the customer satisfaction in shopping malls.

Satnam Kour Ubeja⁶ (2013) the objectives of the study were to investigate the customer satisfaction with respect to sales promotion mix and group of factors in shopping malls and to study variations in the customer satisfaction with respect to sales promotion mix and group of factors across gender wise. An attempt was made to profile the customer satisfaction in shopping malls. They all have identified many factors related to sales promotion mix; It is found that; female, those are dependent or independent are more conscious about sales promotion which is related to on the lucky and gift offers in shopping malls, male also are some conscious about monetary benefit offers for getting customer satisfaction in Jabalpur city. Shopping is funny activity for them. They are coming shopping malls for purchasing products but for getting customer satisfaction, they do attract to any type of sales promotion mix, which is available in shopping malls.

B. Kusuma, N. Durga Prasad, M. Srinivasa Rao⁷ (2013) concluded from their study that retailing provides an important link between producer and consumer in modern economy. Retail in India is most dynamic industry and represents a huge opportunity for domestic and international retailers. Modern retailing is not a problem to traditional stores as most of the consumers said that they never stopped visiting kirana stores. They strongly agreed on coexistence of both is required. Their frequency of going to kirana store is reduced. Modern retailing has miles to go in India. The growth of modern formats has been much slower in India as compared to other countries and the development of this sector is depends on the presence of regulatory and structural constraints. Government has to take care about the existence of organized retail stores in India and they have to take measures to overcome the challenges. Then the fast growth of organized retailing can be possible in India.

Dr. Harvinder Singh and Dr. Srini R Srinivasan⁸ (2012) written in their book some related points with mall management operation in Indian retail space. Since last decade there has been growth in new malls in India which has resulted into all kinds of new shopping habits for customers in the country and they have been looking to malls as the destination for not only shopping but also as the place for social gathering and entertainment. The authors tried to enhance professionalism in the retail real estate sector by serving as an excellent guiding tool for the students as well as professionals. They have been successful in capturing the market realities and lucidly explaining the entire working of the retail real estate industry.

4. Market Mix

Marketing At the initial stage, the concept of Marketing is only applied to consumer products in the field of automobiles, health care and soft drinks in the United States. Due to the effectiveness in achieving success of these companies through the marketing tools, other fields of companies such as services providers, professional firms, public institutions and even non-profit institutions also adopted this concept to promote their brands. There are numerous definitions of marketing, but their meanings are similar. It defines the term of marketing as “a social and managerial process by which individuals and groups obtain what they want through creating and exchanging products and value with others”. Another definition from The Chartered Institute of Marketing is that marketing is “the management process responsible for identifying, anticipating and satisfying customer requirements profitably”. The American Marketing Association, as quoted by Kotler (1994), defines “Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals.” As mentions that the aim of marketing is to know and understand the need of customer so as to make the product or service fits him and sells itself. “Ideally, marketing should result in a customer who is ready to buy.” It holds the key to achieving the company’s goal in creating, delivering, and communicating customer value to its chosen target markets, which is more effective than its competitors.

5. Customer relation

Definition and Concept of Customer Retention Previous studies focuses on examining the marketing theory and components of shopping centre industry on attracting new customers, but less on retaining existing customers. It appears rather insufficient without paying attention to the importance of customer retention toward service economies”. More companies recognize the benefits of retaining the customers. One of the reasons is that it costs less to retain an established customer than to acquire a new one.

The cost for acquiring new customers can be five times more than the cost for retaining current customers. Besides, the importance of the retention of current customers can be recognized by the reasons that across service industries profits climb as customer defection rates fall and the growth of the number of new customers becomes lower begin to restructure the marketing strategy to give more attention to their current customers. Service

marketing perspective and observe that the improvement of customer service quality is the main way to retain customers performance attributes will impact customer retention directly.

The element of customer service plays an important role to the customer retention of the shopping centre. The customer service can be distinguished to “relief” and “distraction” services. Both of them can enhance the process of shopping significantly. Relief services is referred to lighting, visual features, trolleys, seating, food outlets, toilets, and telephones, which can make shopping less tired and encourage a longer stay and greater expenditure. Distraction can be defined as a higher level of relief through crèches, fixed toys and entertainment. In addition, tangible process services are critical like maps, guides and information points as well as services for particular consumer groups e.g. disabled parking area. All of them can be the basis of an effective differentiating tool and the significant attraction for the repeated customers. Customer service is one of the “big four” attributes of shopping centre image that can add value to the total shopping experience of customers. Service can keep customer loyalty, which will translate into leverage. Customers now have an expectation not only to the product itself, but also to the process and all subsequent contacts or other service providers which become an enjoyable experience. Good shopping centres assist to improve the quality of life of the population. Thus, the good management and customer service are vital to achieve this purpose.

6. Marketing Strategy

Marketing strategy is increasingly important in the shopping centre development when the competition become keen in the industry. It states that “Marketing strategy defines the broad principles by which the business unit expects to achieve its marketing objectives in a target market. It consists of basic decisions on total marketing expenditure, marketing mix, and marketing allocation”. It is an overall marketing plan aiming to achieve the customers’ needs by influencing the marketing mix in relation to expected environment and competitive condition. The definitions indicate that there is a close linkage between marketing works and customers’ needs. It is explained in a way that the marketing strategy is “to effectively allocate and coordinate marketing resources and activities to accomplish the firm’s objectives within a specific product market”. The Middle East Council of Shopping Centres (MECSC), which is a voluntary non-profit association based in Dubai and established in 1994 representing shopping mall owners, developers, marketing managers, leasing managers,

retailers, property managers and government officials, highlighted in the seminar for the importance of re-visiting marketing strategies to the shopping centres under the current intensely competitive environment. It explains that the shopping centre managements have recognized the need for the re-visit marketing strategies to keep pace with consumer behaviour that is constantly evolving. The re-visiting marketing strategies can increase sales, productivity and efficiency, and develop insights into marketing trends that will define the future. It is seen as “Effective marketing strategy requires that every element of the marketing mix fits together to deliver a coordinated and integrated appeal to the target customers group.”

Marketing mix can also be defined as a combination of a set variables related to fulfilling customers’ needs. It can be further defined as the controllable variables that an organization can co-ordinate to satisfy its target market. Marketing mix is also described as the core concept of marketing theory and as the tools and techniques to implement the marketing concepts. The traditional concept of marketing mix is 4Ps (i.e. Product, Price, Place and Promotion), which is proposed by McCarthy’s in 1964 and focused for product marketing. The 4Ps concept was extended to specific adaptations for service marketing i.e. 7Ps service marketing mix model by including the additional 3Ps (i.e. People, Physical Evidence and Process). Then, further developed the 7Ps service mix to re-label and subdivide some elements comprehensively so as to cater for the uniqueness of shopping centre.

Classifications of shopping centres

The suburban shopping centre is the dominant form of retail space. It divided to five major types i.e. the regional centre, the community centre, the neighbourhood centre, the specialty centre and the convenience centre. The types are defined by their dominant or anchor tenants, their gross leasable area and the population or trade area that they serve.

The new types of shopping centre had also been developed e.g. the megamall which is three or four times larger than an ordinary regional centre and the power centre designed for a higher ratio of anchor tenants. This concept is also extended to affects the development of shopping centre industry. There are different types of shopping centre including regional and smaller size shopping mall nowadays to accommodate various needs of people for shopping. The Planning Department reviewed on shopping Habits based on the shopping preferences of consumers to classify the types of shopping centre into a three-tier retail hierarchy i.e.

Territorial Shopping Centres, District Shopping Centres and Neighbourhood Shopping Centres.

- Territorial Shopping Centre Territorial Shopping Centres are located within well-developed urban areas and are supported by good transportation networks with other districts. They serve the territory as a whole and provide the greatest variety of high order comparison goods and dining, leisure and entertainment services.
- District Shopping Centre District Shopping Centres are located at the locations with district-wide significance. They mainly serve the population within the district providing variety of household durable goods, personal consumer goods, personal durable goods, leisure and entertainment facilities as well as dining services. District Shopping Centres are located next to the public transport nodes in the districts to make convenience to the consumers when they interchange between public transport modes at these nodes.
- Neighborhood Shopping Centre Neighborhood Shopping Centres are located within walking distance from nearby residential areas including private and public housing estates. They mainly serve the local populations living nearby and provide convenience goods, household retail services, personal retail services and dining services to the customers.

Positioning Strategies

Positioning strategy is a universal coverage of positioning. It is not a single distinct concept but includes many closely related concepts. Positioning is a conceptual vehicle, head on positioning, social accountability positioning, and inclusion of internal and external positioning as part of positioning strategy. To develop a positioning program, six points must be cleared. They are; 1) The current position, 2) Position you want, 3) How to achieve this position, 4) Money required, 5) Can you handle and 6) Do you possess qualification. Positioning is concerned with the attempt to modify the tangible characteristics and the intangible perceptions of a marketable offering in relation to the competition.

Table: 1 Positioning Strategy

Sr No	Properties	Particulars
1	Attraction	Good ambience, cool, elegant
2	Country	Patriotism
3	Brand name	Leaders in market (range)
4	Value	Pricing, affordable range of products
5	Service	Friendly, Personal attention

6	Reliability	Curable products, warranty, safety,
7	Selectivity	Principles
8	Top of Range	Upper class, posh, status symbol

Source: (Chu [1], Charlse Blankson, Stavros, P. Kalafatis, 2007)

The implementation four groups of activities is considered as positioning. Various positioning strategy descriptors positioning decision is the crucial strategic decision as it is highly important for customers' perception decisions. Marketing program can be aligned for consistency and support if there is a clear positioning strategy. There are six approaches to positioning strategy which are given as below:

- Positioning by Attribute - Associating a product with an attribute, a feature or customer benefit.
- Positioning by Price/Quality - Price as a signal of quality to customers.
- Positioning with Respect to Use or Application –Associates the product with use or application.
- Positioning by the Product User - Product associated with a user or a class of users.
- Positioning with Respect to a Product Class -Positioning decisions involving product class associations.
- Positioning with Respect to a Competitor - Making reference to competitors as the dominant aspect of the positioning strategy,

Retail Repositioning Strategies

Repositioning is essential to maintain competitiveness in a rapidly changing environment. A retailer's existing positioning base is continuously diluted by maturing markets and aggressive competitors. According to them, there are three types of repositioning strategies- Zero, gradual and radical. In zero repositioning, despite changing environment, focus is on the original target segment and competitive advantage. This retailer may soon close down as the gap between customer wants and his offers gets large. The second type of repositioning is small, gradual and a natural evolution into new merchandise, higher assortments or new methods of presentation. The third type of repositioning is radical – a shift into new types of stores, merchandise or a total re-presentation of the stores. Such a situation arises when there is a sudden shift in the retailer's marketing environment or when management fails to gradually reposition over a period.

Positioning vs. Image

Image of a retail outlet is a combination of functional and psychological attributes. Positioning is a marketing strategy. Positioning of a mall refers to defining the category of services offered based on demographics, psychographics, income levels and competition in neighbouring areas. Positioning is also a process of fulfilling of dual expectations of each of the stake holders – shoppers, retailers and mall developers. To distinguish between positioning and image, positioning differs from image in the sense, positioning has a clear reference to competition. An image of a mall includes its aesthetics, design, spaciousness, premium merchandise, life style products, pleasant ambience, large visual displays, wide corridors and artful lighting. However the positioning of a mall could be as simple as a *Luxury Mall*. Hence it can be concluded that a positioning based shopper decision making is much easier than an image based shopper decision making.

Measurement of Positioning

To measure positioning, various scales including Semantic differential scale, open ended questions, Likert scale, Staple scale and Numerical comparative Scale have been used. Some of the prominent tools used for the measurement of positioning are perceptual mapping, cluster analysis, factor analysis, discriminate analysis, multidimensional scaling and structural equation modelling. Multidimensional Scaling (MDS) - MDS as a technique has been proposed by various researchers to explain retail centre image. MDS has often been utilized in retail store image measurements to find out the image of own stores and those of the competitors. MDS was used to find out the influence of size and accessibility on a retail centre. In property market research MDS has been used to understand consumer choice, weighing of property attributes and hence as well as retail centre image and hence patronage. Merchandise information, visual content of the store, location, policy and service were identified as constructs of store image by using MDS.

Positioning and Shopper Satisfaction

Shopper satisfaction is affected by the physical environment of the store, various procedures and operations, personnel and the core offer of the retailer. This evaluation of the total retailer's offer in the customers mind is defined as "store image"(which later has been replaced by positioning). Shoppers evaluate the whole retailer offer by combining all the attributes described above in order to decide their degree of satisfaction

7. Conclusion

The study examined the relationships among the constructs underlying consumer's retail format choice and re-patronage outcomes for food and grocery retailing in India. Specifically, the study focuses on the following five questions: (1) Are shoppers' attributes able to influence the retail format choice decisions? (2) Do the determinant attributes of retail format exert any effect on retail format choice decisions? (3) Do the temporal elements have any conspicuous effect on retail format choice decisions? (4) What is the impact of situational factors on retail format choice decisions? (5) Does the choice of retail format affect re-patronage intentions?

The paper contribute to the understanding of consumer store choice behaviour in food and grocery retailing in India, an area that has received scant attention within the academic literature. The overall results of this study show that, Indian food and grocery consumers have cross- shopping behaviour in nature. No single retail format seems to be prime in meeting. Marital status of consumers does not have any effect on retail format choice decisions. Irrespective of marital status, grocery shopping seems to be routine and task oriented. Consumer's level of education seems to be the significant predictor for choice of neighbourhood kirana, and supermarket formats. It is concluded that awareness and knowledge levels for information processing impacts the choice of formats. Retail format choices differed among occupational categories. 58 percent of consumers from housewives, 57 percent from working category and 69 percent of business category respondents are patronizing supermarkets and other category (pensioners and dependents) are preferring neighbourhood kirana stores. Consumer's occupation is also one of the significant predictor for retail format choice decisions. Consumer's monthly household income is also one of the determinants for choice of store formats. Higher income consumers belonging to INR 20,000 and above are more in favour of supermarket formats. Much also depends on family size and its composition. Smaller households prefer neighbourhood kirana stores. 57 percent of consumers with household size 4 and above preferred the supermarkets. Consumer's household size affects choice of retail format. It is worth noting that consumers attach high importance to store location, which highlights the significance of proximity in food and grocery retail format choice. It is concluded that consumers are seeking maximum convenience in food and grocery shopping. Hence, distance travelled to store for shopping grocery products also influences stores format choice decisions. The present study has demonstrated that the personal values, lifestyle factors and shopping orientations serve as

underlying consumer's psychographic determinants in segmenting grocery consumers as hedonic, utilitarian, autonomous, and conventional and socializations type. Consumer Values, activates (communal, sports, business and entertainment), Consumer's interests (socio-cultural, innovative, and leadership), and opinions (family related, autonomous related and intellectual related) and shopping motives (variety seeking, recreational, brand conscious, time conscious, price conscious, experience seeking) proved to be the significant predictors of booth kirana and supermarket retail format choices. Temporal elements such as shopping frequency, purchasing patterns, time spent for shopping proved to be the significant predictors of booth kirana and supermarket retail format choices. Situational factors also affect retail format choice decisions. Task definitions such as urgent purchase and short fill-ups are positively affecting neighbourhood kirana store formats. Regular and routine based tasks, purchasing bulk and getting ideas, consumers prefer supermarket formats. The results elicit that consumers are in the opinion of facing less perceived risk in respect of performance, time and convenience from neighbourhood kirana store formats. Consumers exhibits more financial risk, time and convenience risk in organized formats. The findings from determinant store attributes revealed that accessibility, convenient opening hours, personal contracts, personalized customer service, extending credit facilities, and return purchase policy significantly affect choice of Neighbourhood kirana store formats. Convenient locations, one-stop shopping convenience, availability of wide variety of branded as well as private label products, more often value for money, fast check outlines, friendliness of salespeople, value added services, good store design & display of merchandise, cleanliness and pleasant store environmental factors affects shopper buying behaviour towards choice of supermarket formats.

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