

Marketing Strategies of Malls with Special Reference to Mumbai

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Abstract— India is a fast growing economy in the subcontinent and is expected to be among the top five economies of the world by 2025. The main reason behind such growth is the large increase in the middle class. They are consuming more of branded products and that too western and foreign brand. This has brought about a shift in the shopping destinations of Indian consumers. With the growth in the economy retailing is also growing and modernizing. Shopping malls is change in the culture of Indian society.

Retailing in India is witnessing a large transformation i.e. from traditional retailing to modern retailing format. Traditional retail include the kirana stores, medical and general stores, cobbler and footwear stores, hawkers, foot path vendors and hand cart vendors. Modern retail also known as organized retail includes shopping malls. Shopping mall is a large retail complex containing a variety of stores and often restaurants and other business establishments housed in a series of connected or adjacent buildings or in a single large building. Industrial houses like Tatas, Biralas, Bhariti group and Reliance have entered in the organized retail sector. The numbers of malls are increasing but many of them (Malls in India, 1914) also are struggling to survive.

Shopping malls marketing strategy includes the strategies the mall management will use to attract and retain the tenants and encourage more shoppers to the mall. Making a plan is essential as the shopping malls compete with one another and also with other small retail outlets. In cities consumers have various choices of stores, ambiance and entertainment. Implementing a good marketing strategy helps a mall to make its own competitive edge.

The paper tries to find the various strategies malls follow at present to attract the customers and perception of shoppers about a mall. This paper focuses on Mumbai.

Keywords— Kirana stores, organized retail, competitive edge, positioning strategy

I. INTRODUCTION

Indian shoppers are not very clear about difference between shopping mall and shopping Centre. They know shopping Centre came earlier than shopping mall and malls are air conditioned. Malls are large enclosed space which has many shops and sell variety of merchandise. Malls size depends upon the number shops it has and the size of construction. Malls are enclosed and have centralized air conditioning or they can be open-air format. High Street Phoenix, Lower Parel

is an example of open-air format mall. They are also car-friendly and have large parking space and houses a range of shops, food court, entertainment zone and a movie multiplex. Malls have lifts and escalators for smooth flow of shoppers. In shopping Centre shops may be scattered in a small area or may be in a building. For example Indraprasth shopping Centre at Boriavli West and Nadco shopping Centre at Andheri West has shops in rows and in a building. At Juhoo shopping centre shops are scattered in a small area. These shops are connected to each other, but don't have a centralized internal access for the shoppers.

Malls are also called as plaza, arcade, hyper market, hub, super market and shopping from a mall is also considered as a status symbol.

Mall Trends in India

The concept of retail as entertainment came in India with the arrival of malls. Estate Developers, retailers and shoppers are all attracted towards mall due to two important reasons. Mall provides a place where regular goods can be purchased in an air conditioned environment along with spending good time with family members and friends in one place. Many malls are now not just providing wholesome shopping experience but they are also having offices and hotels. Oberoi mall at Goregaon East has offices and High Street Phoenix mall, at Lower Parel has hotels. There are also malls that provide high street shopping experience. Palladium mall is a luxury shopping mall at lower Parel.

Mr. Mishra (2008) has indicated that India's economic growth, demographics, purchasing power, increasing income and changing Indian consumers are the various factors behind growth in mall culture. India has 570 operational malls (as on May 2013) compared to just 225 malls that were running five years ago.

Consumers prefer the mall that are bigger in size and have many brands under one roof which they feel is better than visiting many malls. Due to liberalisation and easing of FDI, International retailers are occupying more space in malls. This will provide higher revenue to both i.e. international retailer and the mall. Many more new malls are coming in tier ii and tier iii cities along with metro cities.

India's first mall, Crossroad at Haji Ali was set up in Mumbai in 1999. It found it difficult to manage the rush and therefore restricted the entry for those who had credit card or a mobile phone. In the year 2008 many malls came up in various parts of the country. It was followed by slowdown. The first mall of India closed after twelve years. A lot has changed since then. Some malls are being abandoned by retailers and customers. In 2009 Crossroad mall was shut down.

Promotion and Marketing in Malls

Organizing events and other promotional activities has become an integral part of marketing in malls. Cultural events have become major attraction for customers for years. These events may be a differentiator for a mall. Mall managers can formulate different marketing strategies for each mall depending on the need of local customers and also meet the challenges posed by local retailers. High Street Phoenix mall at Lower Parel in Mumbai city targets young crowd for which they organize events like music fest, food festival, and wine testing events. Inorbit Mall and Oberoi mall target married couples who have children below the teen age. It provides a good environment for family union. They have special kids play area.

II. LITERATURE REVIEW

A mall is defined by ICSC as a shopping Centre which is typically enclosed, climate controlled and lighted, flanked on one or both sides by storefronts and entrances. North American malls are larger in size than those in India.

There is stagnation in the developed markets like United States of America and Europe. Luxury brands of developed and developing countries are focusing on the potential of growing markets of India, China and other developing countries. These developing countries are witnessing an increase in sale of Luxury brands.

Indian Government has granted foreign companies to own controlling stake of 100% in operating of single brand stores. India's fast growing economy and changing demographics provides a good chance for existing luxury brands in the retail to market them in India.

India's population is among the youngest in the world compared to developed countries like USA, Japan, and Europe. 54% of population is below 25 years of age and 60% of population is less than 35 years. Even the income, purchasing power and disposable income of the population is also increasing.

In India number of malls and mall space are increasing. Highest numbers of malls are in North India and South India, mainly in Delhi, Chennai and Bangalore (India Pacific Retail report, 2007). In West India Mumbai, Thane and Pune are leading and in East India Calcutta, are leading in number of malls.

Marketing strategies of malls is a multifaceted and more complex business proposition. Mall culture is seen as a significant change in the lifestyle of Indians. Mall culture has completely redefined how Indian shoppers experience shopping.

III. OBJECTIVES OF THE STUDY

1. To get a broad view on various marketing strategies followed by malls in Mumbai.
2. To understand shoppers perception about malls

IV. METHODOLOGY

Secondary data and also information available from many other sources has been used to prepare the paper. The analysis of the data and information collected has been presented accordingly. This paper is restricted to a broad overall view as the marketing strategies followed by malls cannot be covered completely.

Information collected from secondary source is cross verified by interviewing the mall managers and customers of Mumbai.

V. STRATEGIES THAT CONTRIBUTE TO MALL SUCCESS

As per empirical study by Kim and Kang (1995) states that shoppers consider money, convenience, time, low price, merchandise and pleasure while selecting a mall. Success or failure of a mall depends on various factors. A shopper's choice to visit a particular mall may be influenced by convenience, availability of open space, entertainment and retail space. Marketing strategies may attract the attention of shoppers and motivate them to make a first visit. But the mall should focus on marketing strategies that will make customers loyal towards the mall and visit even in the long term. In order to survive in competitive business, a mall should consider short term as well long term strategies before establishing it.

Following are the some of the factors that contribute to the success of a mall.

1) Malls Marketing and Promotional Activities

Shop owners or tenants of a mall can reach a large number of customers with the help of mall owners or managers. This will lead to success of both mall and the shops within the mall. The marketing strategy must determine the medium that will be used to reach out to the customers to communicate about the mall and its shops. In some malls co-operative advertising is used i.e. shops and mall share the advertising expenses. As individuals, the shops may not be good at marketing but the involvement of the mall in marketing plan can help the shops and the mall succeed in the long run. Events and special promotion plans can increase footfall and increase publicity opportunity for the mall.

Events and other promotional activities in mall is main part of mall management. Organizing cultural, social other events like exhibitions, live show like DJ wars, dance and song shows, fashion shows, community events, celebrity visit, food festivals and charitable campaigns is essential for attracting customers. Events induce excitement and fun shopping experience, which in turn encourages customer patronage. Events and activities can be organized during festivals or during school holidays to attract more customers. Event can be short term i.e. occasional or seasonal. Some events are also be long term. Growel 101 mall structure at Kandiwali East is based on Roman Theme. It also has a Banquet hall and conducts events and competitions for children. Events and activities can differentiate one mall from another. Activities or events can be organized as per the needs of local customers and therefore compete with local or regional competitors.

2) Location

Competition may find it difficult to overcome a mall's good location advantage (Ghost and Samuel, 1983). For the success of a mall strategic location is an important factor. Mall should be easily accessible with broad roads and other public transport. Hub mall (does not organize any events or shows) is able to survive mainly because it is on the highway and is in the neighbourhood of NSE Nesco complex popularly known as Goregaon Exhibition Centre. Information collected from customer suggests that most of the customers prefer nearby malls for shopping and even for movies.

3) Tenant Mix

Tenant mix refers to various retailers that occupy space in the mall. There is a multiplier effect i.e. presence of one tenant increases the sale of other tenant and makes the mall profitable in the long run. Success of a mall depends on the success of its tenants. This is because a successful or profitable tenant would provide good rent to the mall. Success of mall depends a lot on its tenant mix. Optimum tenant mix and the location of shops within the shopping mall lead to large amount of profits. A good tenant mix attracts customers into the mall Borgen (1976).

There are certain anchor tenant's like Vijay Sales, Central, Shopper Stop, Big Bazar etc. These anchor tenants attract customers and make mall attractive. Even Mc. Donald, KFC and Subway are anchor tenants. Some customers visit mall only for movies and food court.

4) Mall Atmosphere and Consumer Experience

A pleasant mall atmosphere is essential as retailers find it difficult to take the benefit of other elements of marketing like product, price, place and promotion. Kotler explained the term atmosphere as design of store environment that stimulates shopper's emotions and ultimately affects their purchasing behavior (1972-1974). Milliaman described store atmosphere as a term that is used to explain shoppers feeling towards the shopping experience which cannot always be seen (1982). Turley and Milliaman had stated that store atmosphere contributes to a success or failure of business (2000). Mall atmosphere improves with lighting, music, air conditioner, cent and colour. In 1990s researchers found that if a guest encounters a nice smell as soon as the customer walks in, the fragrance works as an instant mood-fix. In a way the malls drug customers into buying stuff.

Mall atmosphere and various services provided by its shops are two different things. There is limited study on impact of mall atmosphere on consumer. A mall's success depends on maximizing retail floor and also on creating comfortable shopping experience. A well-defined mall atmosphere will increase and retain new customers and also create good impact on customers. The customers will shop for longer time, buy more quantity and variety of goods and services and also repurchase in future.

5) Lighting

Bright lighting enhances positive feeling among the shoppers. In bright light shoppers are more likely to feel, touch and observe the products in the mall. Shoppers feel energetic and are likely to ask more questions and queries regarding products in the store of the mall that is brightly lit. Oberoi mall in Goregaon East when started initially had dim yellow lights

in food court. The sale at food court was less. They changed yellow lights with Bright white lights and found a change in number of people visiting the food court. As per the survey customers directly are not able to identify the impact of light on their choice of a particular mall and found the malls well lit.

6) Background Music

Shopper's emotions can be changed with background music. It should neither be too loud nor too low. It should not interfere in his communication with others in the mall. It should soothe the customers. The discomfort of standing in a Que can be reduced by soothing background music. The customer does not feel the discomfort of long que standing and the time passed. Playing familiar music captures shopper attention on product and services of the shop. Good music makes the time fly for the shoppers and therefore revisit.

7) Cleanliness and Maintenance

It is also known as housekeeping. It is generally outsourced. It includes washroom being cleaned, floor being cleaned, and providing cool drinking water facility. It also includes maintenance of lifts and escalators. Cleanliness makes a customer feel good. Shopper stays longer and visits the mall again and again. It creates a good feeling towards the mall and its shops. Raghuleela mall in Kandivali West is not able to maintain its washroom which is outside the main mall and the washroom is not air-conditioned. The mall is struggling for customer. From the survey customers found the washroom of growel 101 not very clean.

8) Visual Merchandising

Visual merchandising includes layout of space, decoration, displays and signs. These are the things that customers see inside a mall but outside of the shops in the mall. It includes how merchandise is presented and over all atmosphere of the mall. The purpose of visual merchandising is to encourage customers to come to mall and spend more.

Usually more popular brands are at the front. Moreover, big high-street brands make huge profits and therefore can pay top rental rates that the mall charges for front stores. Luxurious brand shops are generally located in quiet and sophisticated space of a mall. Most watch stores, luxury shoes stores or fashion stores are bundled together. This is to ensure that shoppers don't have to walk for long to buy different luxurious products. Moreover such shoppers do not like to mix with the general public. Malls generally do not keep food court or café near a luxurious store. This is to ensure that the smell of the food does not interfere with their pleasure of shopping.

9) Parking

A mall should provide sufficient parking space to become successful. If there is insufficient space then customers turn away from that mall. It is difficult to find parking space during festivals and weekends. The shoppers park their vehicles along the road and this causes traffic obstruction or slowing down the flowing traffic. It becomes uncomfortable for drivers to stop for drop or pick up their passengers at the mall. Hub mall at Goregaon East is not able to attract customers because of unavailability of parking facility, though it is located on the highway. Atria mall at Worli closed down though it was in premium location and had premium looks. It closed down because of insufficient parking and absence of multiplex. A

mall can attract more customers by improving parking facilities. The customers can be provided with convenience, comfort and safety in parking. Most of the customers with car who visited the mall had a driver on weekdays but on weekend mainly Sunday customers themselves drove the car to the mall.

Parking charges are also a determinant in mall choice making. So the parking charges should be reasonable. Most of the malls do not charge if parking is for less than 20 minutes. If customers feel the parking charges are high then they park the car outside the mall.

10) Security and Safety

Malls also attract criminals and shoplifters beside customers. Security contributes to malls image i.e. its quality, location and the personal security. Security in the malls is generally outsourced. Security also includes maintenance and operation of security systems for surveillance. Most of the malls are fitted with CCTV cameras. These cameras deter shoplifting and crimes. CCTV cameras also help brands study customer behavior. Raghuleela mall in Kandivali west was shut down for some time due to inadequate fire safety of the mall. Even Market Phoenix city mall at Kurla was found to have inadequate security that a man with a gun could enter the main Centre of the mall. In Mumbai customers hardly paid attention on safety aspect of the mall while selecting a mall. Installing safety and security in Mumbai malls is essential as per the law.

11) Marketing Outside the Mall

Malls make their ads stand out. They advertise about unique shops, various entertainments, special design and layout and variety of restaurants and food court in the mall. Malls use newspaper, magazines and films to advertise to the target customers. They also use social media to attract young customers. By advertising outside the mall, it creates a brand image. Advertising also creates a superior feeling among the customers. Raghuleela mall at Kandivali East is a Vegetarian mall is hardly marketed. Even Growel 101 at Kandivali east hardly advertises about its Roman Structure. Malls in Mumbai do not advertise much. Though Branded goods advertise availability of their brand in various malls through newspaper, magazines, and in film theatre.

VI. CONCLUSION

Organized retail market share is too low as compared to unorganized retail market. Even today customers prefer local shops for day to day needs and for boutique items. There is scope for future growth. The malls can grow by following differentiating marketing strategies.

Marketing strategies of malls in Mumbai is almost the same. The focus of most of the malls is on cleanliness, visual merchandise, layout and ambience, range of shops, parking and security. These aspects are relevant but focus should also be on creating a unique marketing strategy. Most of the customers surveyed went to a mall for ambience and purchase of branded items. Some also went for multiplex and food court.

A mall can become successful where there is no other mall in that geographic region. It will have no competition from other mall and consumers have no choice but to shop in the mall if they want convenience and air conditioned hygienic place of shop. Initially that mall may succeed even without

adopting much marketing strategy but later on the mall may find it difficult to survive with emergence of more mall in that region. Therefore the existing mall has to follow a differentiation marketing strategy.

The malls that are working well and started in formative years are Inorbit mall in Malad, High Street Phoenix, Lower Parel, Hub in Goregaon East. However some Malls jumped into marketing without proper planning and strategy are having difficulty of low footfalls and low tenant occupancy like Raghuleela mall in Borivali East and Hub in Goregaon East. Making a malls marketing strategy is a multifaceted and complex business proposition. Malls that start without any planning and marketing strategy are faced with low footfalls and low retail occupancy. Hub at Goregaon east was initially successful but with coming up of Oberoi mall in the same area, made survival of Hub difficult.

Malls will have to compete with unorganized retail market. They have also to compete with other malls. For competition and survival in long run, mall owners will have to follow long term differentiating marketing strategy. A new mall may succeed if there is no other mall nearby due to convenience and ambience. A mall in order to succeed should focus on development of retail brands and not just eyeing on a higher return on investment. The focus of the mall should be on consumer delight which in turn will increase the footfalls and in turn provide higher revenue.

Consumers prefer a mall due to convenience in shopping, shopping experience and tenant mix. Even today people shop from local shopkeeper for their daily needs. The new generation shops online because of lower price and convenience. Malls will have to encourage the young generation to come to the malls.

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