

Conjectures of Positioning Strategies for Consumers Attention in Mall Culture

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Abstract

The retail marketing industry in India has seen phenomenal transformations in the last few decades from the traditional retailing through the shops to the modern retailing through malls. In the last two decades, the traditional retail industry has been getting the cutthroat competition from new strategic retail marketing known as Mall culture. And the present paper also talks about the same as the paper tries to make an attempt to study and understand the positioning strategies adopted by malls to endeavor their target market. Further, to inquire the concept of mall culture and its impact on attracting the customers. The primary objective of this paper is to study the three main phenomena of marketing research i.e. positioning strategies, mall culture and traditional retailing and to compare them both in the present scenario. The paper has a descriptive approach to nature and has been generated through the data and facts collected from secondary sources. The study further can be continued for quantifying the impact by studying the perception of customers and the perception of sellers by collecting the data through a questionnaire to assess the impact.

Keywords- Positioning Strategies, Mall Culture, Traditional Retailing, Modern Retailing.

Introduction

The retail marketing industry in India has seen phenomenal transformations in the last few years from the traditional retailing through the shops to the modern retailing through malls. Where the traditional retailing concepts consist of local vendors and door to door sellers. But today the retailing sector has adopted the concept of show business and attraction of customers through different products and service matrix. Many studies have revealed that the number of customers visiting big showcase shops is much more than the actual buying customers. And this brings a challenge for the entrepreneurs and sellers to retain their existing customers as well as creating new customers. Knight Frand (2010) through a report of the Investment Commission of India has revealed that there is a total of 15 million retail outlets in India till date. Now, this can be imagined that the retail sectors have grown more than the expected up to now. The retail industry started developing with the constant development of India's economic growth. Since then the growth of the retail sector has been attracting many business leaders and entrepreneurs to join the industry, including Reliance Industries, Tata, Birla group, Bharti group and many others.

In the last two decades, the traditional retail industry has been getting the cutthroat competition from new strategic retail marketing known as Mall culture. Though the readers of this paper must be aware of the mall culture, still it is necessary to explain this phenomenon in layman language. The mall culture is a marketplace that provides leading brand franchised shops and individual outlets under one roof in a connective way where buyers and viewers can have a look at so many shops at a one time. This marketing culture has provided customers all the retail outlets in one place and has been a center of attraction and most preferred choice of the rich as well as middle-class customers. The detailed meaning of mall is discussed in the review of literature part.

In one of the fastest growing economy in India, purchasing from a mall is considered as a symbol of standard and people have started neglecting to go to the local shopkeepers or unorganized markets. One old saying "Change is the law of nature" seems to be true and applicable if we compare the mall-based marketing to traditional retail marketing strategy and this change has been adopted in a speedy way, especially in the north Indian states. According to a study (CSRE 2010), India had only 3 malls in the year of 1999 and till 2010 there were approx 190 malls and currently, the number has reached to 280 and continues to grow.

In continuation of the above, the present research is an attempt to identify the current positioning strategies adopted by malls and its impact on the customers and quantify as to how the display of products, decoration of outlets, and general perceptions influence the shoppers as well as shopkeepers through the researchers and results made available by past researchers.

Objectives of the Study

1. To study and compare the phenomenon of mall culture marketing with traditional retail marketing.
2. To conjecture and explore the factors attracting customers towards malls rather than retail.

Methodology & Material

The present research is a qualitative research which uses a descriptive approach. The conceptual research method has also been adopted to get a detailed literature review and deeper understanding of the subject. The foundation of theories and concepts of mall culture and retail marketing has been reviewed from secondary data which have been sourced from different kinds of literature such as economists, various national and global agencies, journals, articles, books, websites, e-books, social media and other reports. Further, the researcher has gone through different websites to understand the concept and past efforts that have been done in the concerned field and also to assess the various theories, philosophies, and principles available to the related subject and literature made available by past researchers.

Review of Literature

It is a sensible decision to invest in the growing industry and malls are one of them and therefore considered to be a highly developing business sector. An organized chain of the retail industry has captured a share of about 14 to 18 percent by the year of 2015 (McKinsey & Company, 2008). India has got the huge amount of young generation in the field of shopping and purchasing with a 65 percent of the population less than the age of 35 and 54 percent of the population under the age of 25 so we are the more preferred country with generation Y as compared to the other developed nations such as USA, Japan, and Europe.

Retail Industry

With the constant growth of the nation’s economy, the people of the country are getting richer and expanding their purchasing power with the growth in the disposable income. A report by Indiatimes.com published in the year of 2012 has revealed that the retailers and small vendors have also equally contributed by offering the desired price and after-sales services in the growth of the modern retail industry in India.

The Concept of Mall Culture

However, there is no proper or universally accepted definition of a mall, but in terms of a layman, it can be understood as a multilevel shopping center which is decorated, lighted, under climate controlled and both sides surrounded by the storefronts. The Indian malls are smaller in terms of size as compared to the USA or Europe.

Any shopping complex or center, which is nearly or more than seventy to eighty square feet, is considered as a mall (ICSC). The growth of malls in India has been slower as compared to the western nations and a traditional habit of saving the money has been one of the reasons for the slow growth of mall culture in India. Except for the metro cities and megacities, the people of rural and semi-urban demographics used to bargain with the traders as their purchasing habit and prefer to buy the goods at a cheaper rate without the concern of the quality.

It is a matter of fact that the goods and services in malls are costlier than the local market because of so many reasons which further led to the slow growth of the malls. But these practices started changing after the big brands entered in the Indian markets and marked their presence with the chain of variety in products and services. These giant companies presented the brands as a symbol of status and invested a huge amount in the advertisement to create the impression and attract the customers. The advertisements were so powerful that it converted customer’s needs into wants and wants into demand.

The role of the youngster is also appreciable who traveled to the developed country and created an awareness amongst the big brands and led to the consumption of luxury goods in the Indian market and gave those companies an idea of come and increase their existing customer pool and development of their market in the largest democracy of the world.

Positioning

Positing in business is basically considered as a process of making your identity between your target customers. It also deals with the goodwill or the market value of a business or brand. Positioning is one of the primary vision of any new entrant who wants to establish their business or brand in the existing market. Positioning primarily deals with the following factors:

Table 1: Positioning Factors

Range	The range of customers you want to target i.e. Upper, Middle or Lower
Goods & Service	The kind of goods and services you want to offer to create a better position
Brand Image	What image of the brand should go to the customers
Capital	The amount of money you want to invest in branding
Team	The team of experts associated with the responsibility of position creation
Communication	The medium of communication adopted to reach the target customers
Feedback	actual

Corstjens and Doyle (1989) have mentioned that the positioning and repositioning tactics are the need for a market environment to maintain the competitiveness. The maturity of market constantly dilutes the positioning of retailers. They further gave the concept of three positioning strategies i.e. zero, gradual and radical which have been mentioned in the below table. The zero positioning strategy focuses

on the existing customer pool rather than the changing environment, but this strategy fails after a period of time as the gap between the wants of a customer and the offers given by the retailer gets expanded. The second strategy deals with the natural, small and gradual evolution of new retailers whereas the third strategy of positioning talks about the shifting into new outlets. This situation emerges when there is a rigid change in the marketing environment of the retail industry.

Table 2: Repositioning Strategies for Malls

Repositioning Strategy	Mall
Zero Positioning	Pyramid closed down
Gradual Positioning	EDM is gradually moving from generic to entertainment.
Radical Positioning	In a future radical change for nonperforming malls.

Source: As adapted from Retail Repositioning Strategies by Corstjens and Doyle (1989)

The display strategy opted in malls are much better than the local retailers. The positioning tactics of malls are related to the value creation and attraction whereas local kirana retailer keeps their products stored. Several types of research conducted on the success of mall culture have explored that the positioning of the mall is based on the matrix of display and attraction without showing the price. Here we also need to understand that the positioning of malls is different than the positioning of products. It is more emphasized on the geographical location rather the size. For a conjecture, let us say that a research conducted on market survey shows that the number of people living in that particular area belongs to the rich or upper-middle-class category then the mall would suit that location and a real-time example would be the Select City Mall in Saket location of Vasant Kunj, New Delhi (India).

Correlates of Economic Growth and Retail Sector

After experiencing some serious credit requirement and a poor financial condition in the year of 1991, the country opened its door to the global economy. The growth rate of gross domestic product (GDP) touched a rate of 6 percent, which was much more in comparison to the preceding year with 4.2 percent. This gave a boom to a constant growth in the manufacturing and service sector. The consumer-oriented population started growing economically and came in a better financial position which led to the growth of purchasing power of individuals and businesses. The emergence of big markets, low cost-based manufacturing input and the need of steady human capital took place during this period of economic reform.

Influential Factors of Indian Retail Sector Growth

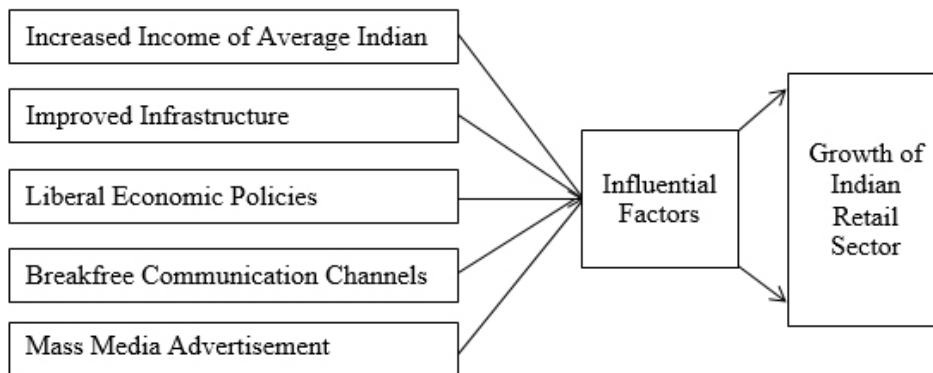


Figure 1: Influential Factors of Indian Retail Sector Growth

There are so many factors that can be considered for the growth of Indian retail industry. Some of them have been shown in the above figure. Figure 1 has been generated through the data collected from the literature. The figure is an evidence that there are primarily five major factors which make a strong impact and influence the constant growth of the Indian retail sector. It is a matter of conjecture that this

phenomenon might be applicable in the neighboring nations or the nations with the similar economic conditions. An increase in the income level of the average Indian population is the primary factors followed by the improved infrastructure for the development of the market and then liberal and cooperative business policies. Further to this, a hurdle free communication process also plays an important role in developing a niche market like retail industry and finally the tool of mass media coverage which helps a business to reach the unreached potential customers of rural and semi-urban society. However, it is not to say that the growth of any retail or small-scale industry depends on the above-mentioned factors only. There might be several other stimulations that may help in the growth in a better way.

Conclusion

The idea of “saving” is now getting replaced with the idea of “spending” and the concept of “spend later” has got replaced by “play later” with the variety of available shopping alternatives. The availability of the facility to purchase on credit and payment in installment has provided a strong support to the growth of sales and marketing. The generation Y in a country with more money and less time has got the malls for centralized shopping and is no more afraid of spending. Customers are ready to pay a little extra for their convenience of buying.

As discussed in the paper, India has a lower share of retail industry amounting 5 percent in comparison to the western countries amounting more than 60 percent and this gives an indication for the potential growth of the malls and retail business at large. However, malls which started without prior planning and proper market research, are facing the hurdle of low occupancy and decreasing interest of retailers. The literature further reveals that there is a lack of understanding of distinctness of positioning and brand image strategy amongst the developers of the mall industry. Earlier to the mall culture, the need of the positioning strategy was felt in the FMCG sector also when all the manufacturers used to sell their product in brand categorization and without proper positioning and then the relevance and applicability of the positioning was used.

The same problem is now faced by malls. Whenever we enter in a mall, we see similar services which include garments and textiles floor, food court floor, cinema and movieplex which are commonly found in almost every mall.

Therefore the paper suggests that the marketing experts and the majority of the malls industry developers also need to rethink on the positioning strategies and need to understand its benefits for promotion and branding of their mall because without a unique positioning strategy, all the malls would be the same for the customers and will lead to the increasing vacancy of the retailers and decreasing interest in malls.

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