POSITIONING OF SHOPPING CENTRES: A CASE STUDY OF SHOPPING MALLS IN DELHI AND NCR

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ABSTRACT

Buying behavior of shoppers of today is undergoing a sea-change and is posing the greatest challenge in for marketers of today. Despite best of their efforts it is becoming difficult to retain buyers due to competition posed by competitors. The marketers are coming up with varied innovative ways to lure shoppers but it is becoming difficult to maintain the "uniqueness" Thus, the shopping mall owners/ managers need to build not only the innovative marketing practices to have an edge over the competitors but also need to develop these in a manner that the uniqueness can be maintained. A sustainable competitive advantage is an advantage over the competition that is not easily copied and thus can be maintained over a long period of time. It is the key to long-term financial performance. Important opportunities for retailers to develop sustainable competitive advantages are customer loyalty, location, human resource management, distribution and information systems, unique merchandise, vendor relations and customer service. Typically, retailers have the greatest competitive advantage when they engage in opportunities that are similar to their present retail strategy. When retailers pursue market expansion opportunities they build on their strengths in operating a retail format and apply this competitive advantage in a new market. Retailers have the least competitive advantage when they pursue diversification opportunities. They need to focus more on research activities in determining the rapid shift in buyers' preferences and also in dwelling innovative marketing practices well in time before another shift occurs in the customer behavior and that too in accordance with international standards in order to position themselves internationally.

Keywords: *Customer loyalty, innovative marketing practices, shopping malls, competition, challenges.*

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INTRODUCTION

This study makes an attempt to position select shopping malls in India viz. Ambience Mall, Gurgaon; Ansal Plaza, Delhi; DLF Emporio, New Delhi; Sahara Mall, Gurgaon; Shipra Mall, Ghaziabad; SRS Mall, Faridabad and The Great India Place, Noida. Positioning of Shopping Malls was done using MEXL to discover consumers' evaluation of shopping malls along major dimensions of Enjoyment and Value for Money. A total of 200 consumers, from Delhi and NCR region, responded to personal interviews. The data was gathered from a convenience sample of family, friends, and acquaintances of the researchers.

SHOPPING MALLS

Asia is attracting biggest shopping malls in the world. Now-a-days, emphasis is given on 'how branding influences the creation of successful retail centres'. Delhi, the capital of India, along with National Capital Region (NCR) is now reflecting varied shopping centres. Gurgaon, falling in NCR, is regarded as 'hub for shopping malls' in India. These are also attracting tourists from corners of the world in providing all comforts they are looking for viz. internationally recognized top-class brands, fashion, and food variety along with entertainment facilities. The footfalls especially during weekends and festive seasons are really appreciable.

Shopping Malls in Delhi

Delhi, one of the oldest cities of India, emerged as a major political, cultural and commercial city. It offers a number of options to spend leisure time to all the people visiting the city, including those from other nations. Some of the popular shopping malls spread across the city are Select Citywalk (Saket), North Square Mall (Pitampura) TDI Mall (Rajouri Garden) and Metro Walk Mall (Rohini).

Shopping Malls in Ghaziabad (Uttar Pradesh)

Ghaziabad, a large industrial city, quite commercial, has its own rich cultural heritage. Malls and shopping complexes have come up over the last few years. Some of the most frequently visited shopping malls are Shipra Mall (Indirapuram), Shopprix Mall (Ghaziabad) and East End Mall (Ghaziabad).

Shopping Malls in Noida (Uttar Pradesh)

Noida (New Okhla Industrial Development Area), a major industrial hub, has many units of the world's major automobile industry players. Popular malls in Noida include The Great India Place (Sector 18, Noida) and Centrestage Mall (Sector 18, Noida).

Shopping Malls in Gurgaon (Haryana)

Gurgaon, the sixth largest city in Haryana, has the eminence of being the financial centre of the state of Haryana. In the last 20 years, it has grown-up due to its nearness to West Delhi and South Delhi and emerged as a major outsourcing destination, a real estate market in northern India and has also witnessed real estate boom. It has also many malls with multinational brands. Some of the most frequented shopping in this region are Ambience Mall (Gurgaon), Sahara Mall (Gurgaon), MGF Plaza (Gurgaon) and DLF City Centre Mall (Gurgaon).

Some Important Concepts and Definitions

Positioning is what customers will realistically grant us; a one-time activity; an appeal to everyone; a way to make our product superior -- it is about finding a superior position in the minds of customers

Some Positioning Bases include Life style (self-concept) positioning, attribute positioning, benefit positioning, competitive positioning and time-based (e.g., usage occasion) positioning.

Definitions

Differentiation: Creation of differences on key dimensions between a product and its main competitors

Positioning: Strategies to ensure that the main differences between the focal product and its competitors occupy a distinct position *in the minds of customers*
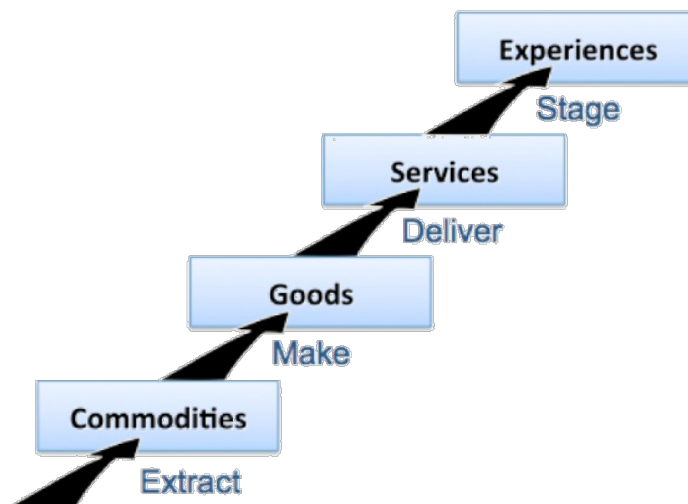
Mapping: Techniques (using customer-data) that enable managers to develop differentiation and positioning strategies by helping them to visualize the competitive structure of their markets as perceived by their customers.

Mapping Techniques comprise mapping perceptions, attribute-ratings methods (particularly useful for functional products), overall-similarity methods (particularly useful for image-oriented products), mapping preferences, include an overall preference vector in a perceptual map, "external" analysis to fit preferences of individuals on a common perceptual map.

Implementing Positioning

Leverage strategically advantaged resources: Product characteristics: features, performance, durability, conformance, reliability, style, etc.Service attributes: delivery, installation, consultation, customer training, repair, etc.Personnel: competency, credibility, courtesy, responsiveness, etc.Brand image: symbols, emotion, personality, etc.

The Progression of Economic Value

Experiences — Stage

Services — Deliver

Goods — Make

Commodities — Extract

Source – B. Joseph Pine II and James H. Gilmore, The Experience Economy: Work is Theatre & every Business a Stage, (Boston: Harvard Business School Press, 1999), p. 22

Literature Review

Chadha (2005) explained that some of the key long-term strategic imperatives of establishing a successful world class mall are get the design and aesthetics right; define a clear mall positioning statement; build a sustainable anchor strategy; have a balanced tenant mix and parking.

Retail Research Team (2007) discussed Mall Positioning Strategies with focus on Magnetic, Coopetitic, Specialistic and Parasitic malls. According to them, Magnetic Malls focus on good location with easy accessibility, large areas of catchments, strong consumption power demographics, high variety of tenant mix, and a great size of mall to accommodate anchors and tenants. Coopetitic Malls rest on their own strength relative to competitors, and the complementary synergy among cooperators. These focus on district catchments; a relatively good mix of the parameters enables a coopetitic mall to be successful, especially when the class of products and the target shoppers are clearly differentiated from its competitors. Specialistic Malls rely on the product and theme specialization strength of the mall. When the location and demographics are not good for retailing and the current competitions are keen, the specialistic mall strategy attempts to draw a much larger catchments area by specializing the mall. It also requires a good accessibility or parking provision. Parasitic Malls takes the advantages of the current spatial distribution of other eco-malls, which have already created a

very prosperous retailing market in the district. It provides a good way of survival for very small mall with high constraints in providing tenant mix.

Key Elements in Building Successful Malls in the Future

Key Elements in Building Successful Malls in the Future are 'Ownership' as single ownership ensures direction; 'Location & accessibility' - ease of accessibility, efficient arterial thoroughfare, customer traffic patterns, population and community attitude; 'Catchment' - mall should ideally be a reflection of the lifestyle of the immediate catchment; 'Shopping Mall Design' - wide walkways, well-lighted atriums, natural lighting and visual continuity; Ample parking Spaces – car borne traffic, need for enough parking & good management, special needs of pregnant women, physically challenged and those of senior citizens; 'Clear mall positioning' - tailor a mall for the catchment rather than forcing a mall on the catchment; 'Balanced tenant mix' - maintain a delicate balance between diversified product, service offering and revenue imperatives of the leasing business; 'Entertainment with retail' - malls need to design 'family-friendly facilities' - entertainment, play, entertainment and edutainment facilities to meet the needs of families and children; 'Sustainable anchor strategy' – frequency builders, needed to build habits, well orchestrated zoning; 'Maintenance & management' – centers need to be properly managed; else over time they deteriorate, cleanliness and security; 'Promotional Activities' - Special events, festivals, parades, and businesses such as theaters provide entertainment & have a positive impact on the surrounding business community

OBJECTIVE

To position select shopping malls in Delhi and NCR based on shopper perceptions of existing shopping malls (and new concepts) along various attributes, customer preferences for shopping malls, and measures of the behavioral responses of customers toward the shopping malls.

RESEARCH METHODOLOGY

Data Collection Method: Primary Data and Secondary Data

Data Collection Tool: Structured Questionnaire

Area Covered: Delhi and NCR

Sample Size: 200 mall shoppers

Sampling Method: Convenience Sampling

Sampling Technique: Mall Intercept Survey Method

DATA ANALYSIS

Marketing Engineering for Excel (**MEXL**), Tutorial, Version 1.0.10 "*Positioning*" submenu has been used to analyse the data. Marketing Engineering for Excel (ME>XL) refers to Marketing Engineering software as an Excel Add-in. "Marketing Engineering" is a term coined by Professor Gary Lilien, one of the founders of DecisionPro, Inc, to describe new marketing philosophy, to help educate and train a new generation of marketing managers. The goal is to train marketing engineers to translate concepts into context-specific operational decisions and actions using analytical, quantitative, and computer modeling techniques; to link theory to practice and practice to theory.

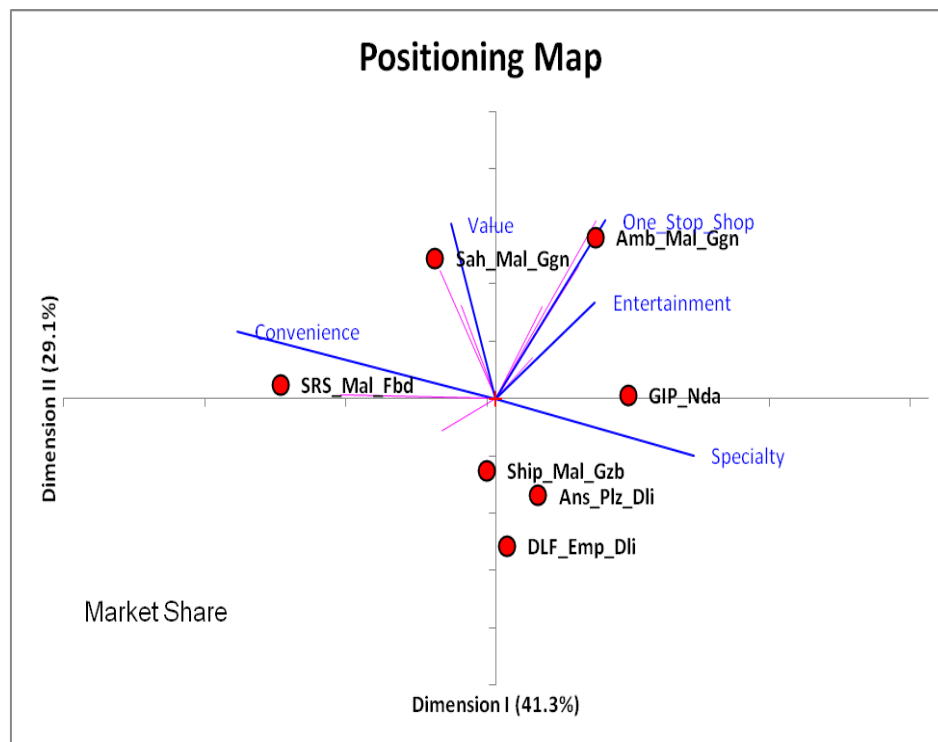**Positioning Analysis and Perceptual Mapping Model**

Positioning Analysis software incorporates several mapping techniques that enable firms to develop differentiation and positioning strategies for their products. By using this tool, managers can visualize the competitive structure of their markets as perceived by their customers. Typically, data for mapping are customer perceptions of existing products (and new concepts) along various attributes, customer preferences for products, or measures of behavioral response of customers toward the products (e.g., current market shares of the products).

Positioning Analysis uses perceptual mapping and preference mapping techniques. Perceptual-mapping helps firms to understand how customers view their product(s) relative to competitive products. The preference map introduces preference vectors or ideal points for each respondent on to a perceptual map. The ideal point represents the location of the (hypothetical) product that most appeals to a specific respondent. The preference vector indicates the direction in which a respondent's preference increases. In other words, a respondent's "ideal" product lies as far up the preference vector as possible. The preference map starts out with a perceptual map giving the locations of the product alternatives. In the second step, it introduces for each respondent either an ideal brand or a preference vector.

Positioning Analysis

Perceptual data (or the averages of respondents' ratings) describe the market space occupied by various shopping malls, as perceived by customers in the target segment(s). These data refer to customer perceptions of the shopping malls along those selected attributes. For example, they indicate how the target market perceives Ambience Mall on the "One Stop Shop" dimension (but not actual 'One Stop Shop' ratings of Shopping Malls). Perceptual data

comprises the number of dimensions (rows) along which the shopping malls was compared (viz. entertainment, specialty, value, one stop shop and convenience).

Positioning Map(s): The generated positioning map(s) consists of: One map to retain two dimensions (X-Y).
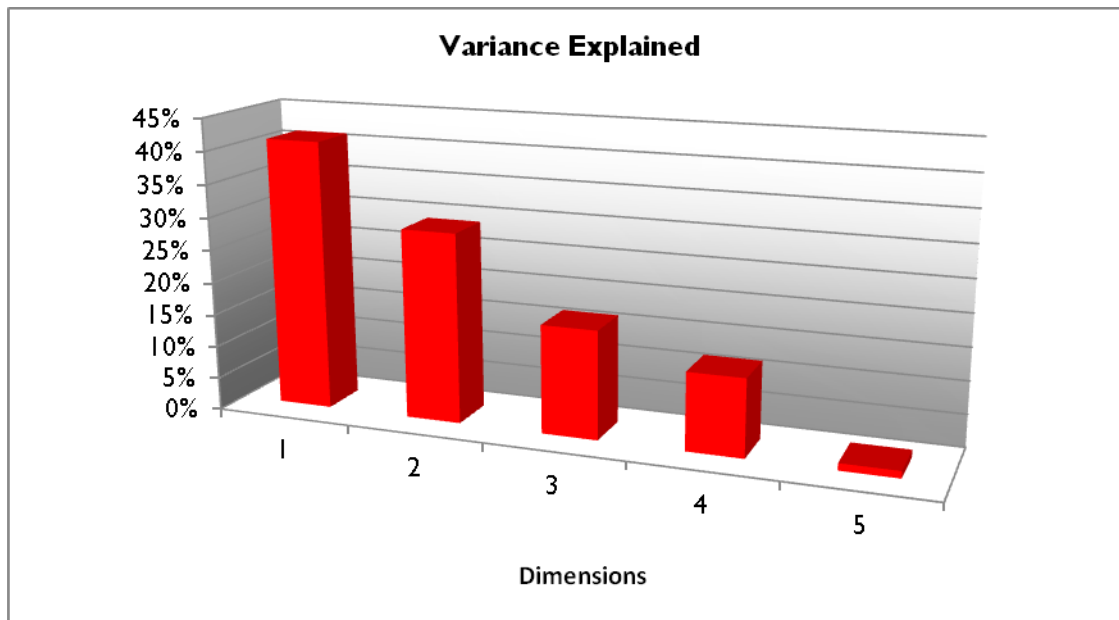
Perceptual map: depicts a data matrix that consists of the average perceptions of different shopping malls (i.e., choice alternatives) in a target segment. The perceptions measures rely on selected attributes of the shopping malls, and the resulting map provides a visual representation, in two dimensions, of how the target segment perceives all the shopping malls.
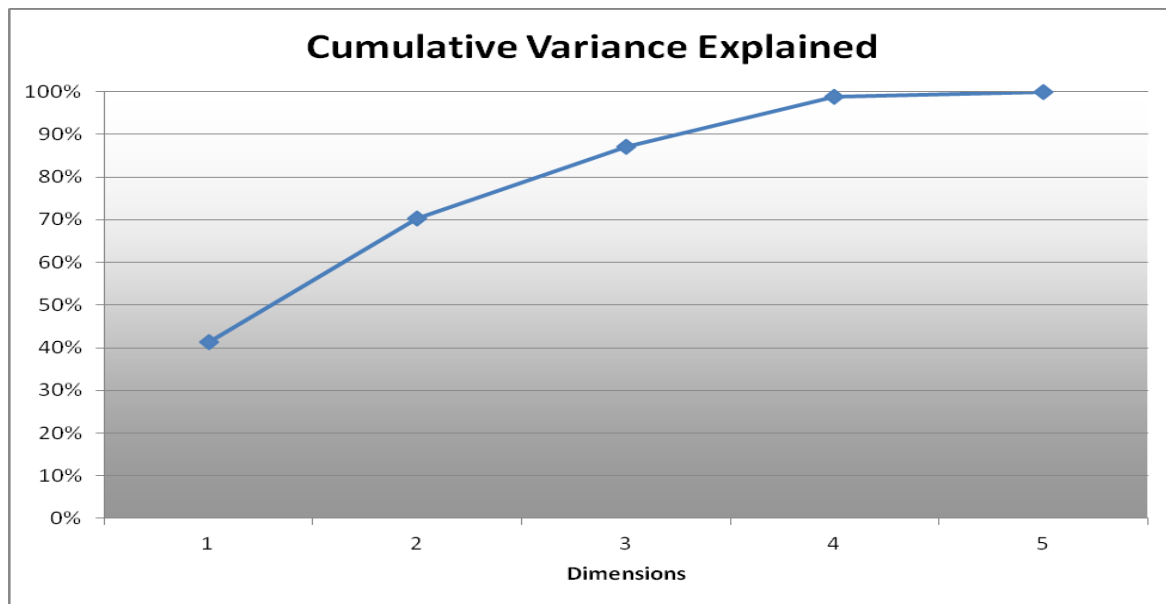
DATA INTERPRETATIONS

• The distances between shopping malls on the map indicate their perceived similarities. Shopping malls - Ansal Plaza, Delhi; DLF Emporio, New Delhi and Shipra Mall, Ghaziabad that are close together (as per positioning map, based on opinion of respondents surveyed) are perceived as similar, whereas those that are far apart - Ambience Mall, Gurgaon and SRS Mall, Faridabad are perceived as different.

• The axes of a perceptual map are the aggregate dimensions (or composite attributes) along which customers tend to discriminate shopping malls. Attributes aligned close to each axis provide clues of the meaning of that axis. i.e. 'Entertainment' to X-axis and 'Value' to Y-axis.

- The variance explained by each axis indicates the relative importance of that axis for explaining customer perceptions. The variance explained by the horizontal dimension 'Entertainment' is 29.1% and the variance explained by the vertical dimension 'Value' is 41.3%, it indicates the vertical dimension 'Value' is nearly one-and-a-half times as important in explaining customer perceptions.

- The lines on a perceptual map indicate the direction in which an attribute increases while moving away from the origin along that line. For example, if the 'Entertainment' attribute uses a 1-5 scale, in which 5 represents the highest entertainment, then entertainment increases along that line and away from the origin.

- The length of a line on the map indicates the variance in that attribute explained by the perceptual map. The longer a line, the greater is the importance of that attribute (e.g. 'Specialty') in differentiating among shopping malls in the market.

- To position a shopping mall on any attribute on the map, an imaginary perpendicular line can be drawn from the shopping mall to the attribute. The farther a shopping mall eg. Sahara Mall, Gurgaon is from the origin along the direction of that attribute eg. 'value', the higher is the rating of the shopping mall on that attribute.

Reason for Retaining Two Dimensions

Variance explained as a function of the number of dimensions

The first two factors capture 70% of the variance in the initial data, and adding a third factor captures only an additional 18%. Since the third factor does not capture significantly more variance (compared with the first two), only two dimensions (first two) are retained.

LIMITATIONS

- Provides a static model - ignores dynamics of customer perceptions.
- Interpretation is sometimes difficult.
- Does not incorporate cost or likelihood of being able to achieve a desired positioning.
- Does not incorporate a "probability model" to indicate goodness of a map.
- Generally, need about 6 to 8 products in a category to make the technique useful.

MANAGERIAL IMPLICATIONS

- Check how customer perceptions of client shopping mall compare to perceptions of competitors.
- Identify shopping mall strengths and weaknesses.
- Select competitors to compete against.
- Determine how much change is needed on key shopping mall attributes to move shopping mall to more favorable positions.
- Time constraint
- Resources constraint

DISCUSSION

- MEXL was used to discover consumers' evaluation of shopping malls along two major dimensions of :

◦ **Enjoyment** (Dimension 1) and

◦ **Value for Money** (Dimension 1I).

The results revealed that Ambience Mall (Gurgaon) is the most preferred shopping mall for customers seeking 'Enjoyment' whereas Sahara Mall, Gurgaon is preferred most by shoppers seeking '**Value for Money**'. These vary from dimensions used in retail classifications, identified by Guy (1998) as under-

1. Goods sold- Food store, ladies' wear shop

2. Trip purpose - Convenience, household, personal/fashion

3. Size of store - Supermarket, hypermarket

4. Store ownership - Independent, multiple, franchisee

5. Catchment area - Neighbourhood centre, district centre

6. Physical form - Cluster, linear

7. Development history - Planned, unplanned

8. Development type - Retail park, regional shopping centre

9. Function - General, specialist, ancillary

10. Location - Town centre, edge of town

CONCLUSION

• The shopping mall owners and mall managers in Delhi and NCR need to focus more on positioning/ re-positioning of their shopping malls in the highly competitive scenario and for the long-run success of their shopping mall(s).

• This can be further strengthened by research activities in determining the rapid shift in buyers' perceptions of existing shopping malls (and new concepts) along various attributes and their preferences for shopping malls, and measures of the behavioral responses of customers toward the shopping malls, thereby, formulating innovative marketing practices well in time before another shift occurs in the customer behavior.

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