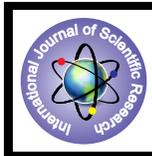


Perception of Retailers Towards Below the Line Initiatives of Mall Management in NCR



Management

KEYWORDS : Media Mix, Below the Line Marketing, mall management, promotion techniques

Mona Chaudhary

Assistant Professor- Marketing, Amity University, Noida, U.P

ABSTRACT

Current business scenario is witnessing shifts in the media mix of companies. Below the Line promotions are emerging as an important component of media mix. BTL promotional techniques are gaining momentum for being more direct, personal and trackable. It is applicable for the retail industry. The changing dimensions of a consumer life cycle made it really difficult for the mall management to tap new markets while having a firm grip on existing markets. The designing of an appropriate promotion mix for shopping centre is a difficult and a complex process. The implementation of the strategy itself faces a number challenges for stakeholders, marketers, managers and retailers in India. This study is an attempt to study the perception of retailers towards below the line activities conducted by mall management. 99 retailers of different categories were contacted personally. This research helped to understand mindset of retailers towards various aspects of the BTL marketing activities as a co-joint effort of mall management & retailers.

1. Introduction

The Indian retail market, which is the fifth largest retail destination globally, has been ranked as the most attractive emerging market for investment in the retail sector by AT Kearney's eighth annual Global Retail Development Index (GRDI), in 2009. India's retail growth was largely driven by increasing disposable incomes, favorable demographics, changing lifestyles, growth of the middle class segment and a high potential for penetration into urban and rural markets. Organized retailing has become more popular in big cities in India and most of the metropolitan cities and other big cities are flooded by modern organized retail stores. Many semirural areas have also witnessed entry of such organized retail outlets. India's retail sector is estimated to touch US\$ 833 billion by 2013 and US\$ 1.3 trillion by 2018, with a compound annual growth rate (CAGR) of 10%, which is quite lucrative. Retailing as a whole contributes almost 10% of India's GDP, and employs almost 8% of India's employable population. The organized sector accounts for a mere 5 per cent indicating a huge potential market opportunity that is lying in the waiting for the consumer-savvy organized retailer. Purchasing power of Indian urban consumer is growing and branded merchandise in categories like Apparel, Cosmetics, Shoes, Watches, Beverages, Food and even Jewellery are slowly becoming lifestyle products that are widely accepted by the urban Indian consumer.

2. Marketing of Shopping Malls

The designing of an appropriate marketing mix strategy for shopping centre is a difficult and a complex process, the implementation of the marketing mix itself faces a number challenges for stakeholders, marketers, managers and retailers in India. Promotional activities and events in a mall form an integral part of mall management. Activities like food festivals, handicraft exhibitions and celebrity visits increase foot traffic and in turn sales volumes. Organizing cultural events has time and again proved vital in attracting consumers to a mall. Such activities may also act as a differentiator for a mall.

3. Changing Structure of Media Mix

ATL is a type of advertising through media such as television, cinema, radio, print, and Out-of-home to promote brands or convey a specific offer. This type of communication is conventional in its nature and is considered impersonal to customers. The total ATL spends accounts for Rs. 30,000 crore. Currently Television & Print media advertisements occupy more than 80% of the total ATL spends in India. BTL promotion is an immediate or delayed incentive to purchase expressed in cash or in kind, and having short duration. It is efficient and cost-effective for targeting a limited and specific group. The Indian economy has witnessed the performance of advertisement in media above expectations in the past decade. Mass media still holds an upper edge over targeted advertising. However there seems to be an increasing preference towards 'Below the Line' promotions as against traditional mass media campaigns. The total spends on BTL promotion accounts for Rs. 20,000 crore. The share of BTL promotions might increase in future in future. The major

factors behind the rising trends of BTL are its positive influence on sales.

4. Literature Review

As per the study of Preeti Reddy, Priyadarshini Narendra (June 2007), organized retail is poised to be a significant player in the Indian marketplace in the time to come. Study by A.K.Sharma (August 2008) reveals that the Mall management strategy builds on the basic idea of interdependence between the Mall and the Retailer. It focuses on the business benefits that can accrue out of collaborated business management between the Mall Developers and the Retailers. Kingpin-intelligence (2009) specifically focuses on Below the Line Marketing tools in order to create a direct and personal approach of marketing. More and more organizations are relying on non-media communications for their promotions. They may offer less exposure, but these 'behind the scenes' campaigns are gaining momentum in companies both large and small. Asif Zameer (Dec 2007) specifies the importance of effective management of events and promotions as the single most differentiating factor in today's scenario where the numbers of malls are multiplying. Mall-management is all about differentiating mall from the rest, getting maximum footfalls, converting the footfalls to purchase and keeping the footfalls and the tenants happy and satisfied.

5. Objectives & Research Methodology

The paper aims at following objectives

- To study the perception of retailers towards Below the Line initiatives of Shopping Mall
- To identify areas of interdependence between the Mall and the Retailer for effective management of BTL activities

The method used was descriptive research. The study included use of both primary as well as secondary data. In order to observe the effects of BTL promotional activities, 99 retailers of were interviewed by through a questionnaire. Data analysis techniques from SPSS were used to analyze the collected data.

6. Analysis & Results

Table 1-The retailers' preferences for ATL or BTL activities:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ATL	34	34.3	34.3	34.3
	BTL	65	65.7	65.7	100.0
	Total	99	100.0	100.0	

Table II - ATL or BTL preferences of participating retailers:

		ATL or BTL		Total
		ATL	BTL	
Participation	Yes	6	12	18
	No	28	53	81
Total		34	65	99

Table III - Events help increasing footfall:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	94	94.9	94.9	94.9
	No	5	5.1	5.1	100.0
Total		99	100.0	100.0	

Table IV -The subsequent effect of increase in mall footfall on store footfall and store sales:

Table 4.1- Mall Footfall * Store Footfall Cross tabulation

Mall Footfall		Store Footfall		Total	
		Yes	No		
		Yes	45	49	94
		No	0	5	5
Total		45	54	99	
Store Footfall	Yes	Sales Increase		Total	
		Yes	No		
		Yes	39	6	45
		No	0	54	54
Total		39	60	99	

Table 4.2- Store Footfall * Sales Increase Cross tabulation

The table shows that 39 out of 45 retailers witnessed sales increase with increasing footfall in their stores.

Table V- Participation planning and modes of retailers:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Long Term Plan	4	4.0	21.1	21.1
	One Month Plan	3	3.0	15.8	36.8
	Immediate Planning	12	12.1	63.2	100.0
	Total	19	19.2	100.0	
Not Participating	System	80	80.8		
Total		99	100.0		

Most of the retailers who plan to participate in an event use spot marketing and have opportunity driven motives of profit of image/brand building.

Table VI -Need of more effective Footfall Management:

		Store Footfall		Total
		Yes	No	
Mall Footfall	Yes	45	49	94
	No	0	5	5
Total		45	54	99

The table shows that 94 out of 99 retailers witnessed increased footfall in the mall due to BTL promotions, but 49 of these 94 did not get the positive effects of this increased footfall in their store i.e. footfall in their store did not increase.

7. Findings

- Major number of participating retailers prefers BTL over ATL promotions.
- The BTL preferring retailers whose footfall and sales are not benefitted by BTL wants these activities to be held on low traffic weekdays instead of weekends
- The BTL promotional activities do increase the footfall and sales of retailers.
- Few retailers did not receive the increased footfall visiting their store. So an effective footfall management strategy is lacking.

8. Suggestions

- i) There must be better communication between retailers and mall management by means of arranged meetings when preparing for an event. The planning of retailers largely depends on clarity of communication.
- ii) BTL Activities Scheduling: As seen that many retailers consider BTL promotions as a good way to create brand image and brand value, but as their sales is unaffected, they want that these activities and events should take place on low traffic weekends as traffic is already high on weekends so these activities don't really affect their sales effectively.
- iii) ATL-BTL Mix: As it is evident from the study that around 34.3 percent of retailers want ATL promotional activities to take place, so there could be a mix for ATL and BTL promotional techniques .ATL promotions can be taken into account by the means of an arranged meeting with mall management so they can also be benefitted in a way as BTL promotions are not working for them as it is evident from this research.
- iv) Footfall Management Strategy: It is evident from the study that both management and majority of retailers witness footfall increase due to BTL promotional activities. But more than 50 percent of retailers find the footfall of their stores unaffected by this surge of footfall increase in mall. So, some footfall management strategies can be used to regulate the footfall towards stores that are unaffected by the increased footfall inside the mall.

Conclusion

BTL has emerged as an important component for various sectors because of its direct and personal reach. The shopping malls in India have also started realizing the importance in order to differentiate from competition. The objective of the study was to understand the retailers' perception towards BTL promotions. It was found that majority of retailer have accepted BTL as an effective promotion tool. Some of the retailers recommend an effective media mix, a blend of ATL and BTL which can be planned with mutual efforts of retailers and mall management. There is a great scope of interdependence in formulation of plan for BTL activities and footfall management. Scheduling of these events can be an area where further researches can be conducted.

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