
Mull over this Mall

- A Case Study

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Indian retail industry is booming. Malls are everywhere. One wonders how will these malls survive but more and more malls are coming up everywhere. The case study deals with such a mall that opened with a great fanfare. It is located in Mohan Nagar, Ghaziabad, an industrial township very close to Delhi. The mall is developed by a very reputed building and construction company. It has all the facilities of a modern mall—huge parking space, exciting exteriors, plush interiors, escalators, six screen multiplex, food court, super market and a host of other attractions. The mall is well planned and is being maintained very well.

The mall has been built keeping in view the meteoric rise of malls in and around Delhi. The building company chose this location as there is no other mall in this side of Ghaziabad and it has also built a compact apartment complex adjacent to the mall. This residential complex was an instant sold out. Encouraged by the response to this housing complex, the company quickly built the mall. Location wise the mall is situated at an advantageous place. Though on one side it is surrounded by industry, it caters to a large residential belt including Ghaziabad, Mohan Nagar, Sahibabad, Vasundhara, Shahdara and nearby Delhi areas like Dilshad Garden, Shrestha Vihar etc.

Mr. Vilay Shankar, an MBA from a reputed institution and having over 10 years quality experience is the key person looking after the affairs of the mall. Vilay has been able to put together a good team of able managers to efficiently manage the mall. The mall opened on time and Vilay and his team have been

successful in getting reputed brands like Spencer's, Pizza Hut and Sagar Ratna operational at the mall. The company management has been very supportive throughout.

Vilay has been keeping an eye on competition right through. While this mall was getting ready, 4 other malls have come up in the nearby areas. Shipra Mall, EDM, Pacific and Ansal Plaza Eastend are already functional. A few more are expected to be ready in the next 6-8 months. In addition, three multiplexes and a couple of reputed eateries have established their business in the surrounding areas.

Vilay's mall got an encouraging initial response when for the first few weeks very high footfalls were recorded. The strategy was to create an initial pull with heavy advertising to be followed by experience initiated word-of-mouth (WOM) spread. Keeping in view the target audience, the prices have actually been kept extremely competitive. A variety of goods including garments, kitchenware, groceries, white goods, fruits and vegetables etc. are all available under one roof. Special schemes and prizes are a regular feature of the mall.

The multiplex features a variety of latest bollywood movies. The seating and sound system inside the theatres is of international standards. Excellent snacks are available for the moviegoers. Tickets have been priced at three levels to accommodate all classes of customers unlike the standard multiplex model of one price ticketing.

The staff at the mall is well trained. Each member is very well behaved. They are attentive and extremely polite. Regular surprise checks are conducted by Vilay's managers to ensure the efficiency and efficacy of the staff members.

Maintenance of the premises deserves special mention. The entire mall is sparkling clean at all times. Vilay's team takes relentless pains to ensure this. Escalators and elevators are kept in top shape. Safety and security arrangements are world class.

In Vilay's words:

"Our mall denotes life-style entertainment. With beautifully landscaped environs, a futuristic façade, it is designed as an epitome of indulgence. There is a spacious food court for fine dining options to cater to the palate, possibilities to enjoy the magic of movies in the plush state-of-the-art Six Screen Multiplex and an excellent environment for shopping for the trendy goods at leisure. This mall is a shopping and entertainment extravaganza."

He calls it a virtual goldmine having:

- Fully air-conditioned with 100% power back up
- Functionally placed Escalators and Elevators.
- Multi-Level mechanized car parking in the basement.
- Beautified landscaped environs.
- Professional mall management.
- Intelligent Fire Detection & Alarm System

As mentioned earlier, the first few weeks saw a good turn around of people. However, barely within six months of getting functional, the mall's footfalls have gone down to mere hundreds on weekdays and maximum to a thousand on holidays and weekends. The movie theatres go empty even during the release

day of a new film. Pizza Hut and Sagar Ratna are also suffering. Car parking space though provided free is largely vacant. No new brands are ready to take up space. In fact, a couple of firm bookings have been cancelled by reputed names.

Vilay is under tremendous pressure. The company management has asked him to find out the reasons and suggest strategic measures to turn the mall around.

Vilay has conducted some market research on his own initiative. The results show that his potential customers are regularly visiting malls like EDM and Shipra ignoring the distance factor. Big Bazaar at EDM is attracting most of his audience for their regular purchases. The price differentiation strategy for the multiplex is also generating negative perception.

In fact, there are two types of people in Vilay's target audience. One, who are not interested in going to any mall as they feel malls are too expensive, Two, who love venturing out and are beginning to buy stuff also from the malls but are preferring other malls over their neighbourhood mall.

Vilay knows his task is to come out with a twin-edged strategy to focus on both sets of potential customers. If he could improve the customer traffic, the sales will improve that will attract new vendors.

Vilay has gone through the competitors' strategies. Nothing seems out of this world. He feels he is doing everything just the same, if not better, as Shipra and EDM. Same ambience, same facilities, same movies, same variety of food and goods, then what is wrong and where????

Mulling over this he falls asleep. The time is 11.32 p.m. He has to face the board tomorrow with his plan at 10.00 a.m. sharp.