POSITIONING STRATEGIES OF MALLS: AN EMPIRICAL STUDY

INTRODUCTION

In the last decade, retailing sector in India has seen a vast transformation from traditional retailing to modern retailing. The traditional retail consists of small retailers like local Kirana shops, general stores, medical stores, footwear stores, apparel shops, hand-cart hawkers and footpath vendors. As per investment commission of India, there are 15 million such retail outlets in India (Knight Frank, 2010). As the economy has started growing in India, retail sector has also started modernising and growing. Some of the major industrial houses like Reliance Industries, Bharti group, Aditya Birla group and Tata Trent have entered this sector. Organised retail's share estimated around 10% to total retail in the year 2010 (Retailer, 2010) is very low compared to that of developed countries like U.S.A, U.K., France and Germany, where the share of organised retail is around 75-80% (Knight Frank, 2010). Hence it is expected that the growth of organised retail in India is going to be high in future. Amongst organised retail shopping malls are becoming attractive destinations for retailers and shoppers. In 1999, India had only 3 malls. In 2010 there were 190 malls and at present it is believed that there are around 280 malls in the country (CBRE, 2010). As it is clearly evident, number of malls has gone up tremendously over the years. However the growth story also has thrown up some hurdles.

During the boom days, many developers jumped into the fray of mall development. High economic growth, increasing size of middle class, high urbanisation rate and availability of personal credit have all contributed to large number of consumers shopping at the malls. This encouraged many developers jump into the bandwagon and start building malls. There was a rush to be there amongst the many malls which then had high footfalls. There was no proper planning, research, marketing and positioning strategy in place before getting into the mall business for many developers. This resulted in many of the malls not performing up to expectations. Some have high vacancy levels (Retailer, 2007), some have witnessed retailers leaving for the competitors, some have low footfalls and a few malls have closed down. However the malls which were strongly positioned are still doing well and are fully operational. This research has been conducted to find out the existing positioning strategies of malls, factors influencing positioning of malls, perceptions of shoppers regarding the positioning strategies and to bring out a model to help decision making by mall developers, retailers and shoppers.

SCOPE OF THE STUDY

It makes sound business sense to invest in a growing sector. Therefore developing malls in organised retail which is a growing sector has high benefits. As mall development involves heavy finances, research, planning and marketing strategy, mall development process needs to be on a firm foundation to avoid delays and losses. Many developers have ignored these aspects. There is no basic research before starting a mall (Krishna and Pani, 2010). There is no proper understanding of shopper behaviour either. There is no estimation and alignment of the expected footfall with the tenant mix, mall design and shopper requirements. There is no positioning of most of the malls. Hence the number of malls which are not performing well is growing day by day (Track2Realty, 2011). This study has been carried out to help mall developers, retailers and shopper in their decision making. The main contributions of the study are as follows.

1. Identifying the factors influencing mall positioning. Five main constructs which influence mall positioning have been identified. As these constructs are not easily measurable, 3 or more measurable variables which explain each of the constructs were also identified and related to the constructs. Literature has been reviewed to find support for the relationship between the constructs and the explaining variables. Industry experts have been consulted to confirm the relationships.

2. Positioning of the malls selected for study was visually represented on perceptual maps with the help of multidimensional scaling. With this representation, it was possible to know whether mall developers have achieved their intended objectives related to shopper perceptions. This is important because shopper perceptions influence shopper satisfaction with the malls which in turn influences shopper mall patronage as found in this research.

3. For each of the malls selected for the study, detailed analysis was carried out regarding its positioning and its suitability with location, tenant mix and other factors. Repositioning strategies were suggested where ever it was deemed fit.

4. For each of the geographic areas covered, i.e., Delhi, Gurgaon, Noida, Ghaziabad and Faridabad, the positioning slots occupied were identified. The positioning slots which could

be occupied by upcoming new malls in these areas were also suggested.

5. A structural model relating various dimensions of positioning with shopper satisfaction and patronage behaviour was developed and empirically tested. The model will be beneficial for mall developers, mall managers, retailers who plan to invest in a mall, retailers who plan to align or realign their stores and products with the mall positioning, and also shoppers in taking shopping decisions.

RESEARCH OBJECTIVES

The following are the research objectives:

1. To find out the determinants of positioning of malls.

2. To find out the perceptions of shoppers regarding the positioning of various malls.

3. To find out the influence of positioning a mall on shopper satisfaction.

4. To develop a model of decision making for mall developers, retailers and shoppers.

RETAIL SECTOR

Organised retail would command a share of anywhere between 14-18 per cent by 2015 (Mckinsey & Company, 2008). The Indian consumer is among the youngest in the world as compared to the ageing population of USA, Europe, Japan, and other developed countries. Over 65% of population is below 35 years old and 54% of the population is below 25 years of age. The Indian consumers are also getting richer with growth in incomes, purchasing power, and disposable incomes. Emergence of modern retail in India is not just a result of increasing consumer buying power retailers also have a key role. The desire to offer lower prices, better services by the retailers has contributed to the change (indiatimes.com, 2012).

MALL SCENARIO

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. The size of a shopping centre in India is much smaller than the ones in North America or Europe. Here, any shopping centre of 80,000 square feet is considered a mall. A centre of such small size is called as a mini mall in the west (ICSC). The word mall was associated with the British game of pall-mall since 1598. The game which had a mix of croquet and golf was played on fairway green. The current day mall's definition closely resembles the 1954 definition of a mall which was an enclosed large shopping centre managed by a single company which housed a range of retail shops and services, surrounded by a parking area and situated in a suburban centre .

Malls had an iconic status in the U.S. Mostly located in the suburbs; they had robust infrastructure and promoted weekend trips and drive culture for shopping and leisure. Many became famous because of size or merchandise or as a place for socialising. At present malls in USA are into a difficult phase mainly because of the recession (U. S. National Report, 2012 forecast). Shopping centres in Europe have been growing steadily since 1980 with the highest growth recorded in the year 2008. Since 2008 there has been a decline in the growth of shopping centres in Europe (European Shopping Centre Development Report, 2011). Overall growth in Asia Pacific region is good. South East Asia is the region with high growth markets. China & India are seen as the biggest opportunities for mall growth. In India, North and South India lead in terms of addition of mall space and number of malls (Asia Pacific Retail Report, 2007). In North Delhi NCR has seen high growth in malls. In south, Chennai and Bangalore lead the race. In the west, Mumbai, Thane and Pune dominate the retail scenario. In east highest development is seen in Kolkata. Delhi –NCR Region has the largest number of operational malls in the country as per 2010 figures. By 2012 Delhi NCR market is going to be largest supplier of retail space, 33% of the national supply (Knight Frank, 2010)

LITERATURE REVIEW

Positioning Strategies

John. P. Maggard (1976) says that positioning strategy is a universal coverage of positioning. It is not a single distinct concept but includes many closely related concepts. Maggard talks about positioning as a conceptual vehicle, head on positioning, social accountability positioning, inclusion of internal and external positioning as part of positioning strategy.

Al Ries and Jack Trout said that to develop a positioning program, six critical questions must be answered. They are;

- What position do you own in the mind of the prospect, now?
- What position do you want to own?
- Whom must you outgun to achieve that position?
- Do you have enough money?

• Can you stick it out?

• Does your communication match your position?

According to Arnott (1994), positioning is concerned with the attempt to modify the tangible characteristics and the intangible perceptions of a marketable offering in relation to the competition. Arnott's definition is conceptual and it also has strategic implications and capable of being operationalised. There are eight generic positioning strategies (Blankson, & Kalafatis, 2007 as shown in table 1.

Table 1: Positioning Strategies

Dimensions	**Items/Statements**
Top of the range	Upper class, top of the range, Status, prestigious, posh
Service	Impressive Service, personal attention, consider people as important, friendly
Value for money	Reasonable price, value for money, affordability
Reliability	Durability, warranty, safety, reliability
Attractiveness	Good aesthetics, attractive, cool, elegant
Country of Origin	Patriotism, Country of origin
The brand name	Name of the offer, leaders in the market, extra features, choice, wide range
Selectivity	Discriminatory, selective, high principles

Sources: Charles Blankson, Stavros P. Kalafatis, 2007

The implementation of Walters and Laffy's (1996) four groups of activities is considered as positioning. Various positioning strategy descriptors identified by Skallerud, Gronhaug (2009) are given below in table 2. Levy and Weitz (2001) consider retail positioning as a decision and implementation of a retail mix to create an image of the retailer in the customer's mind relative to its competitors. Aaker and Shansby (1982), claim that positioning decision is the crucial strategic decision as it is highly important for customers' perception decisions. Marketing program can be aligned for consistency and support if there is a clear positioning strategy.

Aaker and Shansby (1982) give six approaches to positioning strategy which are given as below:

Table 2: Positioning Strategy Descriptors.

The Products	The store has a wide range of products
	The store sells high-quality products
The Store Format and Environment	It is a high quality store
	The store attracts upper-class consumers
Customer Service	It is pleasant to shop in the store
	The store has a good atmosphere
Customer Communication	The store sells well known local brands
	The store sells well-known foreign brands

Source: As adapted from Skallerud, Gronhaug (2009)

- Positioning by Attribute - Associating a product with an attribute, a feature or customer benefit.
- Positioning by Price/Quality - Price as a signal of quality to customers.
- Positioning with Respect to Use or Application –Associates the product with use or application.
- Positioning by the Product User - Product associated with a user or a class of users.
- Positioning with Respect to a Product Class -Positioning decisions involving product class associations.
- Positioning with Respect to a Competitor - Making reference to competitors as the dominant aspect of the positioning strategy,

Table 3: Approaches to Positioning Strategies

Positioning by attribute	DLF Emporia - Luxury brands Mall
Positioning by price / quality	Select Citywalk – Premium brands mall
Positioning with respect to use	Metrowalk - Entertainment Mall
Positioning by the product user	Sahara Mall for lower middle income
Positioning with respect to product class	Ansal Plaza – Factory outlet mall
Positioning with respect to competition	Ambience mall as the longest mall

Source: As adapted from David Aaker and Gary Shansby (1982)

Retail Repositioning Strategies

Corstjens and Doyle [1989] discuss about retail repositioning strategies. They say that repositioning is essential to maintain competitiveness in a rapidly changing environment. A retailer's existing positioning base is continuously diluted by maturing markets and aggressive competitors. According to them, there are three types of repositioning strategies-Zero, gradual and radical. In zero repositioning, despite changing environment, focus is on the original target segment and competitive advantage. This retailer may soon close down as the gap between customers wants and his offers gets large. The second type of repositioning is small, gradual and a natural evolution into new merchandise, higher assortments or new methods of presentation. The third type of repositioning is radical – a shift into new types of stores, merchandise or a total re-presentation of the stores. Such a situation arises when there is a sudden shift in the retailer's marketing environment or when management fails to gradually reposition over a period.

Table 4: Repositioning Strategies for Malls

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

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

Positioning vs. Image

Martineau (1958) defines image of a retail outlet as a combination of functional and psychological attributes. Ries and Trout(1972) claim that positioning is a marketing strategy. Jones & Meghraj Report (2007) says that Positioning of a mall refers to defining the category of services offered based on demographics, psychographics, income levels and competition in neighbouring areas. Sannapu and Singh (2011) define mall positioning as a process of fulfilling of dual expectations of each of the stake holders – shoppers, retailers and mall .developers. To distinguish between positioning and image, positioning differs from image in the sense, positioning has a clear reference to competition (Aaker & Shansby, 1982). An image of a mall includes its aesthetics, design, spaciousness, premium merchandise, life style products, pleasant ambience, large visual displays, wide corridors and artful lighting. However the positioning of a mall could be as simple as a *Luxury Mall*. Hence it can be

Table 5: Chronological chart of the studies on Image and Positioning

S. No.	Year	Author	Findings
1	1958	Martineau	Image of a retail outlet as a combination of functional and psychological attributes
2	1968	Kunkel and Berry	Retail store image as a total conceptualized or expected reinforcement associated with that particular store
3	1969	Lewis Alpert & Ronald Gatty	Differentiation of brands based on consumer perceptions defined as Product Positioning
4	1972	Al Ries & Jack Trout	Positioning as a marketing strategy
5	1974-5	Lindquist	Store image as a combination of tangible and intangible factors
6	1974-5	Oxenfeldt	Store image as a combination of factual and emotional factors
7	1976	John. P. Maggard	Evolution of Positioning meaning as placing or locating in relation to its advertising and promotion - Positioning Strategy - Internal & External Positioning - Positioning as a conceptual vehicle - Head on Positioning - Social accountability positioning
8	1978	Dennis, H. Gensch	Image as an abstract concept incorporating the influences of past promotion, reputation and peer evaluation of the alternative and connoting the expectation of the consumer
9	1982	David Aker and Gary Shansby	Positioning as (i)a segmentation decision (ii) an image question (iii) selection of product features to emphasise
10	1982	David Aker and Gary Shansby	Difference between image and positioning. Position implying reference to competition
11	1982	Leonard Berry	Positioning as identifying and occupying an available position in the market
12	1987	Golden, Albaum and Zimmer	Types of image descriptors used by consumers
13	1988	Zimmer & Golden	Store's image as subjective and objective characteristics
14	1989	Marcel Corstjens & Peter Doyle	Positioning referred to retailer's target market segment and its perceived differential advantage
15	1990	Subroto Sengupta	Image representing the essence of all the impressions or imprints about the brand in the consumer's mind.
16	2000	Philip Kotler	Positioning as a company's offer to occupy a distinctive place in the target market's mind

17	2000	Andreas Herrman & Frank Huber	Positioning as a (i) place (ii) rank (iii) mental attitude
18	2007	Jones LL & Meghraj Report	Positioning of mall referring to offer of category or services w.r.t to demographics, psychographics, income levels & competition.

concluded that a positioning based shopper decision making is much easier than an image based shopper decision making.

Measurement of Positioning

To measure positioning, various scales including Semantic differential scale, open ended questions, Likert scale, Staple scale and Numerical comparative Scale have been used. Some of the prominent tools used for the measurement of positioning are perceptual mapping, cluster analysis, factor analysis, discriminant analysis, multidimensional scaling and structural equation modeling.

Multidimensional Scaling (MDS) - MDS as a technique has been proposed by various researchers to explain retail centre image (Herrmann & Huber, 2000). MDS has often been utilized in retail store image measurements to find out the image of own stores and those ofthe competitors (Auken & Lonial, 1991). MDS was used to find out the influence of size and accessibility on a retail centre. In property market research MDS has been used to understand consumer choice, weighing of property attributes and hence as well as retail centre image and hence patronage. Merchandise information, visual content of the store, location, policy and service were identified as constructs of store image by using MDS. The extent of similarity between retailer and customer store image were found out by using MDS (Kupke, 2004).

Structural Equations Modeling - Wakefield and Baker (1999) empirically measure perceptions on mall environment. They have modelled the relationship among physical environment, tenant variety, involvement, emotions and retail responses like desire to stay, repatronage intentions and out shopping behaviour. Items were identified to measure each construct. Anderson and Gerbing (1988) suggest a two-stage approach to causal modelling, in which the measurement model is first confirmed and then the structural model is built. McGoldrick and Pieros (1998) made a study on atmospherics-behaviour relationship. Using LISREL for structural equation modelling, they tested their conceptual model in the malls of Europe.

Positioning and Shopper Satisfaction

As per Morschett, et al. (2005) shopper satisfaction is affected by the physical environment of the store, various procedures and operations, personnel and the core offer of the retailer. This evaluation of the total retailer's offer in the customers mind is defined by Martineau (1958) as "store image"(which later has been replaced by positioning). Shoppers evaluate the whole retailer offer by combining all the attributes described above in order to decide their degree of satisfaction (Finn and Louviere, 1996)

Shopper Satisfaction and Patronage Behaviour Intentions

Wakefield and Baker (1999) say the decline in mall patronage is a result of many malls looking similar and many stores offering the same merchandise. Shoppers are reluctant to visit the weaker malls and are going to the destination malls which have the best stores (Ashley, 1997). Many shoppers make their mall choice based on mix of stores or the environment at the mall (Finn and Louviere, 1990, 1996; Gentry and Burns, 1977). Tenant variety, mall environment and shopping involvement have a differential influence on desire to stay which in turn leads to repatronage intentions (Wakefield and Baker, 1998). As per Kim & Jin (2001), shoppers shop at the stores where they can maximize their satisfaction keeping in view both retail attributes and shopping costs. An empirical study by Kim and Kang (1995) suggested that shoppers consider money, time, convenience, low price, merchandise and pleasure for store selection.

RESEARCH METHODOLOGY

The research methodology in this study includes five basic steps or research processes. The first step contains literature review to identify the gaps pertaining to positioning strategies with specific reference to malls. The second step contains identification of variables based on literature, expert opinion and pilot survey. The third step contains developing instruments for data collection. The fourth step contains data interpretation and analysis using appropriate statistical tools. The fifth step contains validation of the model as an outcome of the analysis.

This research consists of three types of research studies - exploratory, descriptive and causal. The exploratory study involved finding out the existing positioning strategies and finalising the positioning dimensions. The descriptive study finds out the positioning of malls and shopper perceptions of these malls. The causal study finds out the influence of positioning constructs on shopper satisfaction and the influence of shopper satisfaction on mall patronage.

Secondary data of the study has been collected from EBSCO, ABM INFORM, Google, mall websites, retail magazines and reports of various retail consultants like Knight Frank & McKinsey. Primary data has been collected by survey method using structured questionnaires from mall shoppers, experts in retail sector, mall developers, mall managers and mall retailers. To find out rating of shoppers on their perception on positioning dimensions, Numerical Comparative Scale (Linda, et al., 1987) has been used. A 5 point Likert scale (Wakefield & Baker, 1998) has been used to find out shopper rating on variables explaining the positioning constructs.

Sampling Design

Target Population

Malls – All malls within Delhi NCR; should be in existence for atleast 1 year.

Retailer – Should be from one of the following categories: Restaurants, apparel, footwear, entertainment, departmental store – food and grocery, departmental store – garments and accessories, electronics

Shopper – Age between 18- 60 years, visits malls at least once a month a resident of Delhi NCR for more than 1 year, should have done some purchasing during the visit.

Sampling Frame

Applicable on malls and retailers only, but not on shoppers

Mall – List of malls in Delhi NCR (website)

Retailer – List of Retailers in each mall (individual mall websites)

Sampling Unit

A mall in Delhi NCR

Retailer in a mall

Shopper who visits a mall

Sample Size

Number of Shoppers selected from each mall (A) = 50

Number of malls selected from each region *(B)* = 04

Number of regions selected for the survey *(C)* = 05

(Delhi, Gurgaon, Noida, Ghaziabad & Faridabad)

Total number of shoppers = $A \times B \times C$

Hence total number of shoppers selected for the survey (50 x 04 x 05) = 1000

Table 6: Malls selected for primary data collection

Delhi	Gurgaon	Noida	Ghaziabad	Faridabad
Ansal Plaza	Sahara Mall	Great India Place	East Delhi Mall (EDM)	Eldeco Station 1
Metro Walk	Ambience Mall	Centre Stage Mall	Pacific Mall	Ansal Crown Plaza
DLF Emporio	MGF Metropolitan	Spice World	Mahagun Metro Mall	Crown Interiorz
Select Citywalk	DLF (DT) City Centre	Shipra Mall	Ansal Plaza Vaishali	SRS Mall

For selecting the malls, cluster sampling followed by convenience sampling has been used. Malls selected for the study are shown in table 6. Mall managers/developers have been selected on the basis of convenience sampling. Mall retailers were selected on the basis of quota sampling. Personal interviews will mall developers were held to identify the existing positioning strategies.

Systematic sampling was employed for selecting the shoppers. More than 1000 shoppers have been selected for the survey. Shoppers have been surveyed using 'Time location cluster sampling' technique. This is necessitated by the fact that most of the malls have different shopper segments visiting at different times. For examples housewives visit the malls mostly between 11.00am to 3.00pm, students from 4.00pm to 7.00pm and families from 7.00pm to 10.00pm. Similarly different locations in a mall are visited by different segments. For example, grocery area is visited by mostly middle age people, movies again by families, music shops by the young.

The study has been conducted at Delhi, Gurgaon, Noida, Ghaziabad and Faridabad. Mall developers/Mall Managers, Retailers and Shoppers of these malls have been contacted for this research.

HYPOTHESIS

The following are the hypothesis tested in the research

$H1_0$: Convenience does not influence shopper satisfaction

$H1_1$: Convenience influences shopper satisfaction

$H2_0$: Ambience does not influence shopper satisfaction

$H2_1$: Ambience influences shopper satisfaction

$H3_0$: Promotions do not influence shopper satisfaction

$H3_1$: Promotions influence shopper satisfaction

$H4_0$: Shopping Experience does not influence shopper satisfaction

$H4_1$: Shopping Experience influences shopper satisfaction

$H5_0$: Property Management does not influence shopper satisfaction

$H5_1$: Property Management influences shopper satisfaction

$H6_0$: Entertainment does not influence shopper satisfaction

$H6_1$: Entertainment influences shopper satisfaction

$H7_0$: Shopper satisfaction does not influence mall patronage behaviour

$H7_1$: Shopper satisfaction influences mall patronage behaviour

$H1_0$, $H2_0$, $H3_0$, $H4_0$, $H5_0$, $H6_0$, $H7_0$ are the null hypothesis and $H1_1$, $H2_1$, $H3_1$, $H4_1$, $H5_1$, $H6_1$ and $H7_1$ are the alternate hypothesis.

ANALYSIS FROM THE INTERVIEWS OF MALL DEVELOPERS & RETAILERS

Developers / Mall Managers Response

While some of the mall managers were very clear about the positioning, many gave vague responses. There were many variables based on which the mall managers /developers decide upon the positioning strategies. The variables elicited from them can be broadly grouped under the following heads;

(i) Location

(ii) Entertainment

(iii) Merchandise

However after showing the card having more variables affecting positioning selected from literature, mall managers chose more than 20 of them as important for positioning. The

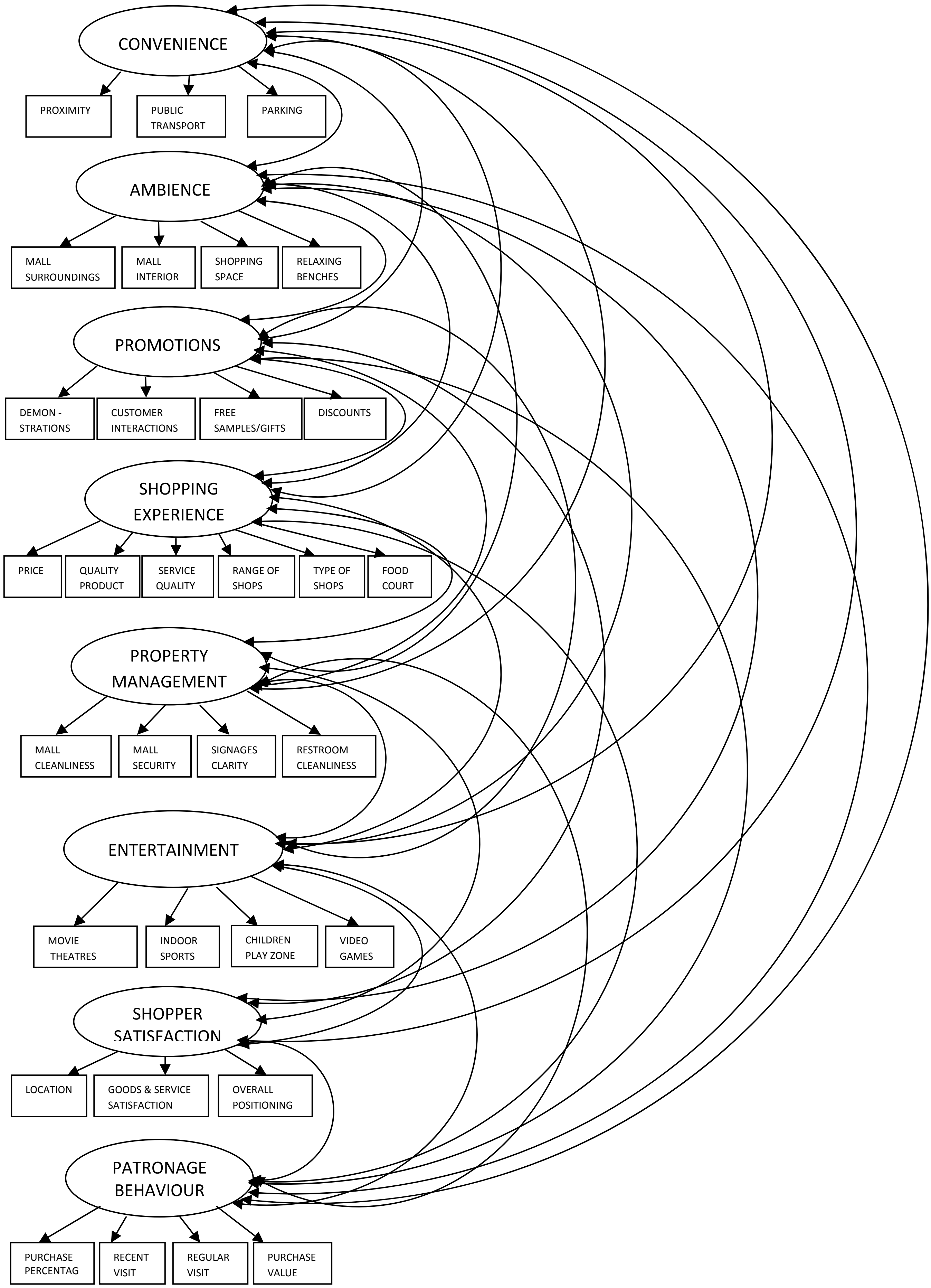

Figure 1: Measurement Model

strengths and unique features of the mall supported the location, entertainment and merchandise based positioning strategies.

Retailers Response

Majority of the retailers were ignorant of the concept and practice of positioning. The most important criteria for them to select a mall for running their retail stores are the expectation of high footfall, low rents and availability of space requirements suited to their needs. Availability of good location within the mall is another criteria. Selecting a mall because of its positioning is the least important criteria for a majority of the retailers. Retailers appear to be completely unaware of the reasons of mall selection and shopper behaviour changes related to mall visit and patronage. Their concern about shopper behaviour is centred more around their store than the mall. The focus is on the outcome of good positioning like higher footfall and not on the positioning strategies of the malls.

MULTIDIMENSIONAL SCALING

It has been found out from literature review, that Multidimensional Scaling (MDS) has been frequently used for image and positioning studies especially in retail. The procedure used for MDS has been adopted from the book on Marketing Research by Malhotra and Dash (2011).

The six steps of the procedure used are; *formulating the problem, obtaining the input data, selecting the MDS procedure, selecting the number of dimensions, interpreting the configuration and assessing reliability and validity*. From literature review, expert opinion and pilot studies, it has been found out that the dimensions of positioning are based on shopping, entertainment, food, brand type, location, shopper demographics and themes. Numerical Comparative Scale (Linda, et al, 1987) has been used to capture data on shopper perceptions on the dimensions selected. The data has been used as an input to SPSS 16.0. The output in terms of a Euclidean map has been obtained. The top of the vertical axis of the Euclidean map has been named as High Hedonics and the bottom as Utility Unions. The left of the horizontal axis has been named as Large Suburban Generics and the right as Central Specialists. The positioning of malls has been found out by its position on the perceptual map. For example, it has been observed that DLF Emporio is perceived as a utility union, a destination shopping centre providing luxury related utility. Metropolitan mall is perceived as a High Hedonic mall offering entertainment.

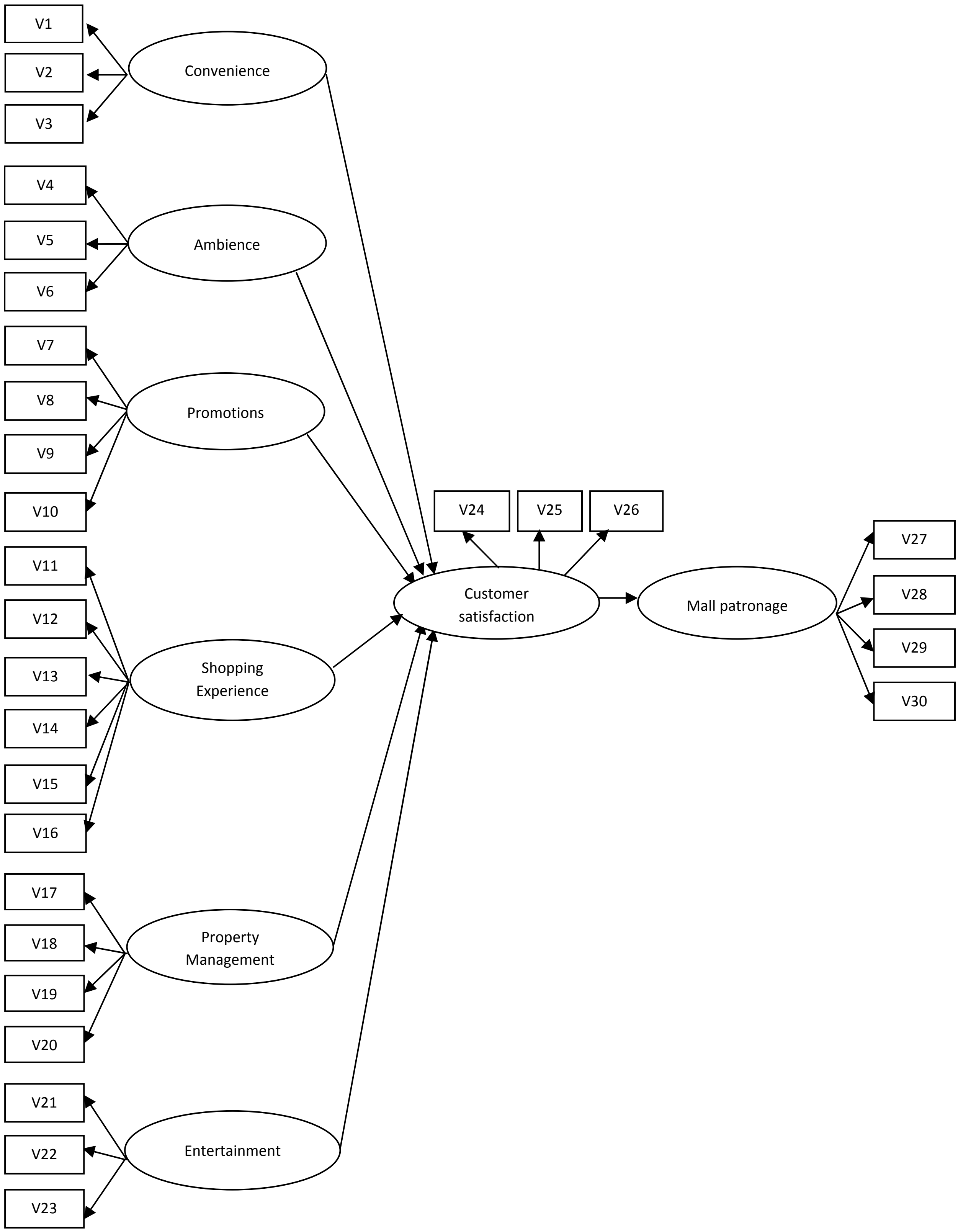

Figure 2: Structural Model

v1, v2... v30 are the variables explaining their respective constructs.

STRUCTURAL EQUATION MODELING

Structural Equation Modeling has been used as it can examine a series of dependence relationships simultaneously. SEM also enables to represent unobservable constructs to be represented by observable or measurable variables (Hair, et al, 2006). Each of the positioning constructs; convenience, ambience, promotions, shopping experience, property management and entertainment have been represented by three or more measurable variables. Similarly construct Shopper satisfaction has been represented by 3 variables and the construct Patronage behaviour has been represented by 4 variables. A measurement model has been developed involving the constructs and variables. Confirmatory factor analysis (CFA) has been carried out on the measurement model. After getting the results of CFA, two of the explaining variables, relaxing benches and indoor sports have been dropped because of their weak explanation of the respective constructs, ambience and entertainment. Subsequently excluding these two variables, a structural model has been developed depicting the relationship between positioning constructs, shopper satisfaction and patronage behaviour. This model has been tested using Amos 20.0 and it has been found out that five of the positioning constructs, convenience, ambience, shopping experience, property management and entertainment positively influence shopper satisfaction. Shopper satisfaction positively influences patronage behaviour. It could not be proved that the construct *promotion* influences shopper satisfaction. Hence this construct has been dropped from the resulting model relating positioning constructs, shopper satisfaction and mall patronage behaviour.

FINDINGS

From the visual representation of the malls on Euclidean map, it has been observed that the positioning of most of malls is the same. The positioning of each of the malls chosen for the study has been identified based on its position on the perceptual map. For instance, it has been observed that DLF Emporio and Crown Interioz are perceived as destination shopping centres. Metropolitan mall is perceived as a mall offering entertainment. It has also been observed that all the malls of Delhi are perceived as centrally located; where as some of the malls in the NCR are perceived as, ‘Suburban’ malls. With the help of structural equation modeling it has been found that the positioning constructs, convenience, ambience, shopping experience, property management and entertainment positively influence shopper satisfaction. Shopper satisfaction in turn positively influences patronage behaviour.

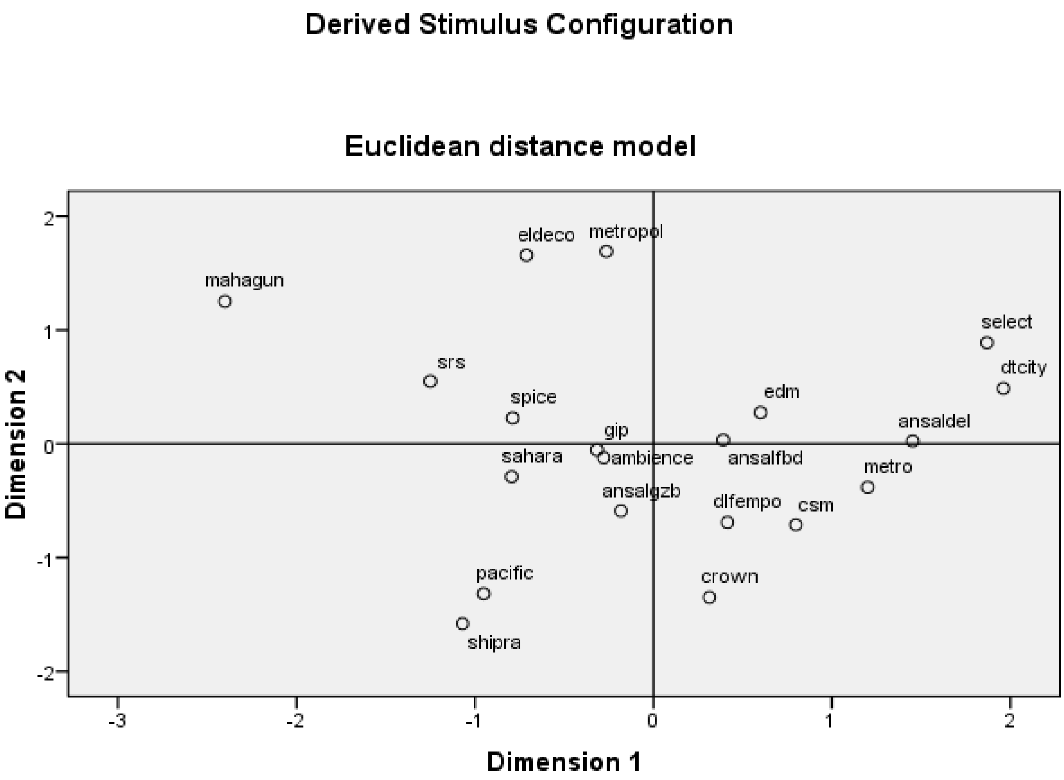

Figure 3: MDS Output

Table 7: Summary of Results of Hypothesis Testing

Hypothesis	β value	t value	Result
$H1_1$: Convenience influences shopper satisfaction.	.502	12.4	Supported
$H2_1$: Ambience influences shopper satisfaction.	.21	5.6	Supported
$H3_1$: Promotions influences shopper satisfaction.	.143	1.96	Not Supported
$H4_1$: Shopping Experience influences shopper satisfaction.	.34	10.2	Supported
$H5_1$: Property Management influences shopper satisfaction.	.24	5.72	Supported
$H6_1$: Entertainment influences shopper satisfaction.	.267	7.1	Supported
$H7_1$: Shopper satisfaction influences mall patronage behavior	.175	4.03	Supported

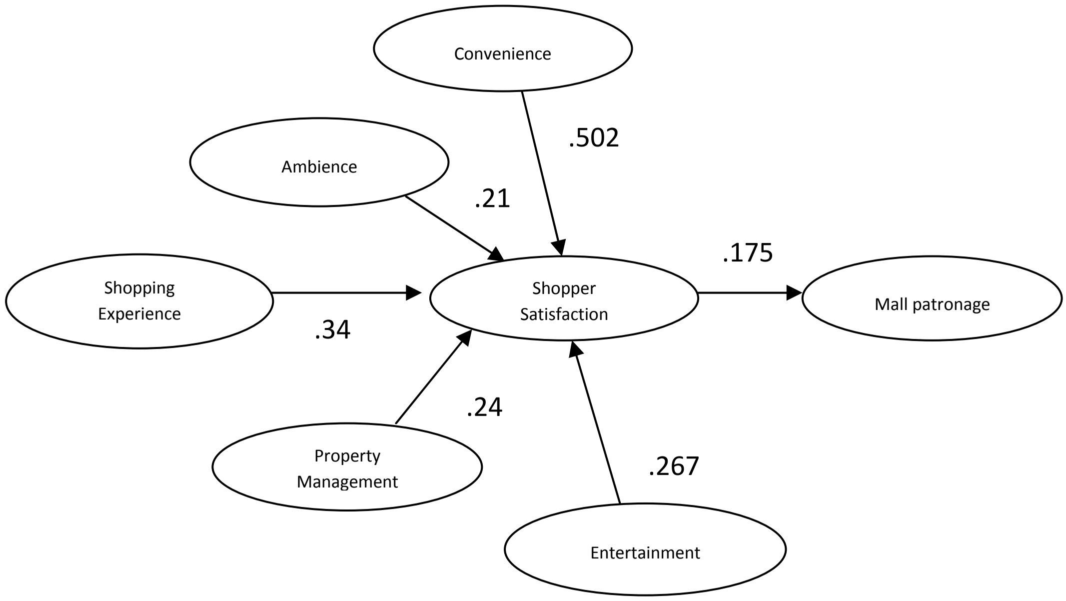

Figure 4: Final Model

Structural Equations

The value for shopper satisfaction ($\hat{y}_{SS}$) can be estimated using the equation

$$\hat{y}_{SS} = 0.502\ (\text{Convenience}) + 0.21\ (\text{Ambience}) + 0.34\ (\text{Shopping Experience}) + 0.24\ (\text{Property Management}) + 0.267\ (\text{Entertainment})$$

Similarly the value for Mall Patronage ($\hat{y}_{MP}$) can be estimated using the equation

$$\hat{y}_{MP} = 0.175\ (\text{Shopper Satisfaction})$$

From the equations above it can be seen that, one unit change in convenience increases by 0.502 times the level of shopper satisfaction and one unit change in ambience increases by 0.21 times the level of shopper satisfaction. Similarly, one unit change in e shopping experience increases by 0.34 times the level of shopper satisfaction and one unit change in property management increases by 0.24 times the level of shopper satisfaction. Also one unit change in entertainment increases shopper satisfaction by 0.267 times the level of shopper satisfaction. Similarly, one unit change in shopper satisfaction increases mall patronage by 0.175 times the level of shopper satisfaction.

CONCLUSION

The share of modern retail market in India was around 5% in 2008 is very low compared to countries in the west, where the share of modern retail to the total retail is 75-80 percent. Therefore there is tremendous potential for the modern retail formats like malls to grow in

India. Mall boom in India started in 2003 and continues to thrive after a setback in 2008-09 because of recession. There are malls which are doing well including those established in the formative years like Ansal Plaza, Delhi. However malls which jumped into the fray without any planning and strategy are having troubles with low footfalls and low retailer occupancy. This research was conducted with the intention to help developers in a capital intensive sector to avoid the mistakes of the past and benefit from being a part of the booming retail sector.

One of the important conclusions is that there is a lack of clarity amongst mall developers regarding positioning and image. As shown in the table 8, the focus is on image which is a combination of functional and psychological attributes of the mall (Martineau, 1958). Hence there is an attempt to provide aesthetic design, range of retail outlets, good ambience, good security and so on. All these are important functions of mall development and mall management. However apart from focussing on the above, there is no effort to develop a positioning strategy which is critical for the success of a mall. Without a positioning strategy, all the malls are similar to each other. Hence, it can be reasoned that, such lack of differentiation is the reason behind increasing retailer vacancy levels and reduced shopper footfall.

Table 8: Mall Positioning Vs Mall Image

Mall Name	Positioning	Image
DLF Emporia, Delhi	Luxury Mall	Mall with aesthetic design, spacious, premium merchandise, life style products, good ambience, large visual displays, wide corridors and artful lighting.
Sahara Mall, Gurgaon	Mall for Middle Income Group	A mall with high range of products, reputed brands, good parking, large atrium, reputed anchor stores, reputed restaurants, good discounts and multiplex

There was a time in FMCG sector when products were not differentiated and were sold as generics. However after identifying the benefits of branding and brand positioning, today we see that manufacturers of most products, for example wheat flour and rice are not only branding their products (Annapurna *atta*, Shakti Bhog *atta*, etc) but are also positioning their brands (for example, Annapurna Multigrain *atta* providing wholesome nutrition to the family). The phase in which shopping malls find themselves in India today is comparable to the phase of products sold as generics with no differentiation. Malls today are like air conditioned complexes housing a range of shops, food court and a movieplex commonly found in other malls. Hence it can be concluded that a majority of mall developers in India are yet to understand the benefits of positioning.

Given that organised retail share is very low compared to the total sale, the easiest way to make a mall successful today is to identify a demographically potential geographic region without any malls, and start one there. With no competition and lack of convenience and ambience in the open shopping centres, the first few malls in a new city are going to start off well. Observing the way malls are spreading to tier I and tier II cities, location appears to be the key to mall success. This is however looking at the short term (i.e., till the competition arrives) .In the long run mall scenario in smaller towns will be the same as that in the metros. Therefore to compete and remain profitable in the long run, there is a need to adopt positioning based strategy. There is a large scope for organised retail to increase its share in metros, where already there are many malls leading to high competition. Mall developers here are yet to shift from the preferred short term location based mall development strategy to the long term positioning based mall strategy.

There is an assumption amongst mall developers that shoppers are a homogenous group and hence their needs are the same - a similar type of grocery, garments, accessories, food and entertainment. Hence provision of the same will lead to mall patronage. This is not the case today as one looks at the high street patronage in Delhi, upper-middle class visits, G.K. Market, South Extension or Connaught Place while lower middle shop at Sarojini Nagar or Lajpat Nagar markets. So it can be concluded that mall developers are yet to understand the needs of segmentation, targeting and positioning of malls.

Another important conclusion from the study is that positioning constructs, convenience, shopping experience, entertainment, property management and ambience have a positive influence on shopper satisfaction. Convenience has the highest impact on the mall, followed by shopping experience. The least positive influence is caused by the positioning construct ambience, perhaps because it is taken for granted as all the malls are able to provide good ambience. It could not be proved in the study that promotions positively influence shopper satisfaction.

RECOMMENDATIONS

The share of organised retail in India compared to that of the west is very low; hence there is a tremendous scope for future growth. To capitalise on the future potential, malls in India can overcome the current problems related to increasing vacancy levels and falling footfalls by adapting sound positioning strategies. A well planned and implemented strategic positioning is critical for the success of malls in India. A well designed mall with appealing aesthetics may not be sufficient to ensure a malls success. The confusion related to an image based strategy can be avoided by following a positioning based strategy which has a clear advantage over the former. Positioning of a mall is different from positioning a consumer product. With the same ingredients a consumer product can be positioned in different ways. However a mall's positioning is inherently related to its tenant mix. Hence, keeping in view, the inseparability of a mall's retail mix and its positioning, there is a need to align a mall's offer with its positioning. A mere location based advantage is out dated and is does not ensure footfall at places where the number of malls is increasing. Hence positioning strategy needs to include factors other than those based on location. The positioning of a sample of 20 malls in Delhi – NCR has been visually presented by perceptual maps. It has been found out that most of the malls in Delhi NCR are perceived similarly, which is not working in favour of some of the malls. Vacancy levels are increasing and shopper footfall is dwindling as competition continues to rise. Hence there is a need to differentiate a mall from the competition. This is possible with a clear positioning strategy. As positioning constructs convenience, ambience, shopping experience, property management and entertainment, positively influence shopper satisfaction, it is crucial for mall developers to align these constructs as per their positioning strategy.

LIMITATIONS

The sample selected for this study is from Delhi NCR. Hence the conclusions drawn are mostly applicable to the malls in this region and to certain extent to the malls in similar metros like Mumbai. Market dynamics in other small cities and towns could be different in terms of consumer demographics and shopping preferences. Hence caution needs to be applied in drawing conclusions with respect to malls outside Delhi NCR from this research. Scope of this study was limited to shopping malls. A comparison to the existing competition from high streets and potential competition from emerging formats like internet retailing can give a better picture of organised retail in India. The scope of this research was limited in the sense; such comparison could not be provided.

FUTURE RESEARCH

This study has been carried out at Delhi and the National Capital Region consisting of Gurgaon, Noida, Ghaziabad and Faridabad which collectively have the maximum number of malls in India. As Delhi NCR is leading in the existing mall space and large amount of mall supply in future is also on the anvil, the findings are believed to be hugely beneficial for those in the mall business in this area. The findings of this research will also be useful for regions like Mumbai and other metros where the mall scenario is similar to that of Delhi NCR. However upcoming areas for growth of malls are smaller towns and villages. As the economic environment and shopper behaviour in these areas could be different from those of the metropolitan cities, a similar study could be conducted for smaller town and villages which could be useful for the developers who plan to start their mall operations in those areas. Not to take for granted embracing of the malls by the Indian shoppers, studies could be conducted on the impact of competition from high streets and emerging retail formats like e-retailing.

CHAPTERISATION

Chapter 1: Introduction

Chapter 2: Retail Sector

Chapter 3: Introduction to Malls

Chapter 4: Literature Review

Chapter 5: Research Methodology

Chapter 6: Analysis from the interviews of Mall Developers and Retailers

Chapter 7: Data Analysis – Multidimensional Scaling

Chapter 8: Data Analysis – Structural Equation Modeling

Chapter 9: Findings

Chapter 10: Conclusion and Recommendations

RESEARCH PAPERS CONTRIBUTION TO THE THESIS

Sannapu S, Singh N, *"An Empirical Study on Mall Positioning,"* VSRD International Journal of Business and Management Research, Vol. 2, pp 133-150, 2012, April 2012

Sannapu S, Singh N, *"Chronological Study on Positioning with Emphasis on Malls"*, International Journal of Research in Computer Application and Management, Vol. 2, pp 94-97, April 2012

Sannapu S, Singh N, *"Mall Positioning Redefined: Dual Expectancy Framework"*, Indian Retail Review, Special Issue, pp 27-36, January 2011

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