EFFECTIVENESS OF THE MARKETING STRATEGY IN PROMOTION MIX OF SHOPPING CENTRES TO ATTRACT VISITORS AND SHOPPERS: AN EXPLORATORY STUDY BASED ON HONG KONG

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ABSTRACT

A group of shoppers were polled on the efficacy of various marketing strategies for boosting shopping malls' most important metrics (sales and foot traffic) and their responses were used to rank the effectiveness of various promotional tactics. There seem to be substantial differences among sales drivers or visit drivers, and the results indicate various combinations that may be beneficial in creating optimal consumer behavior. Displays at schools and communities tend to encourage visits from people who aren't potential customers, whereas fashion shows or product displays fail to generate either kind of reaction. Despite the popularity of mall-wide deals, a mix of free entertainment and discount offers has been shown to be an effective alternative. Positive findings were found after analyzing actual purchases, visits, and promotional kinds during a three-month period to see how well actual customer behavior matched consumers' claimed behavior likely. The research found that shopping, entertainment, activities, and environment all contribute to the attraction of city centers. City center accessibility was not shown to have a statistically significant effect on a city's desirability. This research aims to examine the ways in which Marketing strategies—such as Production strategy, pricing strategy, promotion strategy, and location strategy—affect organizational performance.

Keywords: Shopping malls, Customer Satisfaction, Place marketing, Role of promotion strategies, Elements of promotion mix, Marketing Strategy, City Centre Attractiveness.

1 INTRODUCTION

One of Hong Kong's most important economic drivers is retail commerce (Yihan, 2021). According to Heung and Kucukusta (2012), Hong Kong has become a'shoppers' paradise' because of its abundance of shopping complexes. The retail malls of the nations are renowned for their cleanliness, aesthetic appeal, welcoming atmosphere, and ease of access. There are 131 major shopping malls in Hong Kong, most of them are situated in new cities. However, the situation was upended due to the sudden outbreak of the Covid19 pandemic. The retail sales growth dropped drastically. People gradually switched to online retail shopping. Like mainland China, consumption channel preference marked a paradigm shift - four out of five consumers like to continue online as their channel preference (Ma, 2021).

Post-covid crisis period sets a new challenge for chopping centre industries across the globe. Integrated marketing communication and relationship marking become tougher in identifying the right model of operations and the bring the footfall back. Shopping centre management is looking for adopting effective digital communication technology and promotional tools. With the advent of digital technology, online and offline shopping channel preference becomes blurred. Digital means of communication are inevitable in every sphere of business, lest post-COVID crisis period. It is a prime concern for all the shopping centre management to develop a marketing strategy with digital means of communication. However, the design is not so simple. Customers differ demographically and psychologically. Since shopping centres target a large bundle of consumer segments, the optimum choice of sustainable marketing mix and promotion mix requires a deep investigation into consumer behavior. The present research

aims for that.

2 PROBLEM STTEMENT

Hong Kong is also known as Shopping Paradise. Covid19 crisis has altered the landscape not only in the drop of offline retail growth but customers' attitudes towards e-shopping. Regaining the customers' loyalty to shopping centres has appeared as an industrial challenge. Consequently, the shopping centres have realized the appropriation of omnichannel communication strategy, relied on digital technology, to reach customers and serve them customized information with retailtainment offers. Therefore, reframing the relationship marketing, integrative communication technology and right promotion tool turns a major concern for the shopping center management, especially marketing managers.

The prime question for the present research can be ascribed as - what promotional tools the Hong Kong shopping centres were design to attract shoppers and visitors in the post COVID crisis period? It is important to understand how consumers are perceiving the communication appeal of the shopping centres and behave accordingly. The answer was resolving a major question for the shopping centre management to formulate the right marketing communication strategy and regain the lost ground.

3. BACKGROUND OF THE STUDY

The ten-year statistics on Consumer Spending (Jan 2012 to Jan 2022) in Hong Kong show an upward trend till the beginning of 2020. Figure 1 exhibits how the spread-out of COVID19 dropped the spending to HKD430000bn from HKD500000bn and took momentum in 2022 January. Retail Sales growth rate (month-on-month) appeared highly volatile with a variation of nearly 10% up and down but broke down in January 2020. The retail sales graph depicts that variance of the percentage change during post covid period is relatively lower – indicating a conservative customers attitude towards retail spending.
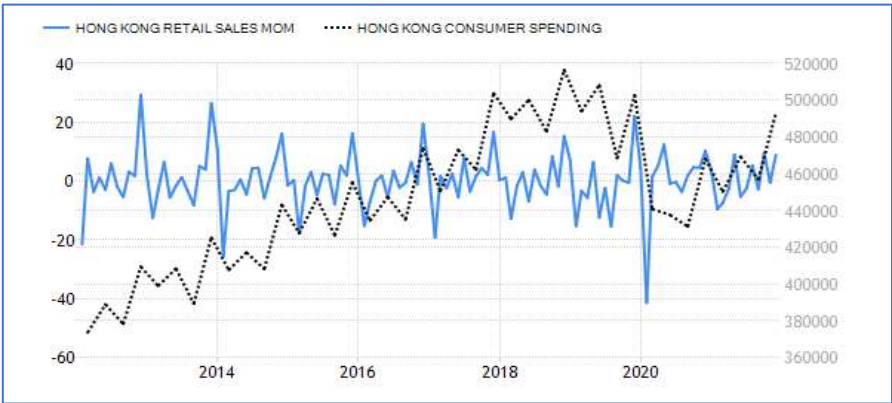
(Year Jan 2012 to Jan 2022)

Figure 1: Retail Sales (MoM) and Consumer Spending in Hong Kong

Source: https://tradingeconomics.com/hong-kong/retail-sales

The importance of brick-and-mortar stores on the marketing mix should not be underestimated. By 2024, e-commerce sales in Hong Kong are expected to reach HK$226bn (US$29bn), an annual increase of 9.9 percent, according to GlobalData's E-Commerce Analytics. In 2020, the e-commerce payment market is expected to grow by 13.4%. As a result of this, in 2020, Hong Kong's physical retail sales were top HK$300bn, outpacing internet retail sales by an enormous margin. More than 80 percent of Hong Kong buyers were utilise online platforms to buy non-grocery products in 2021, when the epidemic is at its peak (Yihan, 2021). Cheryl Arcibal (Arcibal, 2022) recently revealed that retail sales in Hong Kong increased for the 11th consecutive month in December 2021, with sales climbing by 8.1% to HK$353 billion (US$45.2bn). Up to 30% of Hong Kong mall sales might be lost when Omicron spreads.

From the earlier shreds of evidence, it is clear that the traditional retail industry including the shopping centres is at the pivot of enormous challenges. In January 2021, Emplate has reported some big challenges in the European offline retail market equally applicable to other nations - growing competition with the e-retail industry, limited customer insights and poor communication. Offline merchants, in contrast to their online counterparts, have not yet mastered the use of data-driven marketing channels, and as a result, their customer base and income are at danger. Therefore, the impact of marketing efforts remains ineffective. Likewise, Bannister Global observed that shopping mall managers' daily challenge is traffic flow. An effective digital marketing strategy was impact shopping mall traffic and digital engagement levels. Digital tools into the corporate marketing strategy was enable the offline retailer to understand shopping habits and tastes.

Lisa Q. The devastation of digitization in China, according to Siebers, has led to global retail giants continually reducing the number and size of their outlets in order to preserve larger losses while also hurting sales. they began with omnichannel retail with the rise of internet sales in China in 2010 and developed the experience-based retail environment with the help of several domestic firms (Siebers, 2011). This is noteworthy that the majority of the market experts are stressing digital marketing and customized promotional tools to regain the shoppers and visitors left for online channels. Moreover, it is important to get customer insights for developing strong integrated marketing communication. Right marketing communication was also help to position a shopping centre in the highly competitive consumer retail market. The present study aims at understanding the impact of different marketing communication on customers' attitudes which result in higher sales and revenue for shopping centres.

4. LITERATURE REVIEW

The definition of a shopping center has undergone numerous changes over the years in terms of size, amenities, and tenant mix, and the industry has had to contend with recessions, overbuilding, significant changes in the financial situations and space needs of anchor tenants, as well as shifts in consumer preferences. (Muhleba,1992) According to the International Council of Shopping Centres (ICSC), one of the biggest and most reputable organizations on shopping centers in the world, a shopping center is defined as "a group of retail and other commercial establishments that is planned, developed, owned, and managed as a single property" (Tong, 2005).

4.1 SHOPPING CENTER CLASSIFICATION

Shopping malls, on the other hand, are enclosed, climate-controlled, lit buildings containing retail space on either one or both sides of a walkway. Around the mall's perimeter, parking is often available. Regional (less than 1 million square feet) or superregional (more than 1 million square feet) are the two categories that shopping malls fall under. The regional center (including super regional center), the community center, the neighborhood center, the specialty center (including outlet and off-price center), and the convenience center are the five main categories of shopping centers according to the United States. The dominating or anchor tenants, the gross leasable space, and the population or trade region that they service determine the kinds. Additionally, new styles of retail malls have been created, such as the megamall, which is three to four times bigger than a typical regional mall, and the power center, which is built to house more anchor businesses. 1990's Institute of Real Estate Management

Regional Outlet Mall Greater than two full-line department stores and a variety of anchor tenants are often found in regional retail centers. The shopping center's size ranges from 500,000 to 1,000,000 square feet, and it can accommodate 1 million customers from various neighborhoods, including both locals and visitors. (Department of Planning, 2009). It is the largest sort of shopping center and has a wide variety of stores. Examples in Hong Kong include New Town Plaza in Sha Tin, Harbour City in Tsim Sha Tsui, and Pacific Place in Admiralty.

Local Shopping Center Community retail centers are often found in newly constructed residential estates or in new town centers. The space might be anything between 100,000 and 450,000 square feet. It could accommodate between 50,000 and 1,000,000 people. This kind of shopping center offers several trades that are less common in regional shopping centers but have a wider selection of products and commodities than neighborhood shopping centers. Typically, it benefits the neighborhood and adjacent districts or towns.

5. METHODOLOGY

This research gives an empirical setting in order to analyse the theoretical relational path selected from the literature, and to test this by hypothesis. This is made possible with the assistance of the conceptual models that have been presented. Quantifying the facts is one of the goals of the conceptual framework.

The goal of quantitative research is to describe and explain events by numerically representing and manipulating data. Physics, biology, sociology, and geology are just few of the fields in which it has been applied in the last several decades.
In the study, the working population of the research was found to be 3 billion on the basis of world report. The sample size was calculated as per the Rao soft software and was found to be 14020. The sampling method is simple randomized sampling. A total of 13990 questionnaires were distributed out of which 13997 questionnaires were collected and 13910 were used for the analysis.

The single person, group, or thing that serves as the focus of the analysis (also known as the unit of analysis) is evaluated in depth. Units of analysis may take many forms, including

individuals, groups, organisations, countries, technologies, products, and so on. This is the case, for example, if people are interested in analysing the purchasing patterns and learning outcomes of individuals, as well as their perspectives on the latest advances in technological innovation. A questionnaire consisting of closed-ended questions was used during the interviews. It includes twenty-six items with five response categories ranging from 1 = Strongly disagree 5 = Strongly agree. The structured data collection instrument allowed the researcher to probe the same questions to all participants and indicate their responses using predetermined response options that were extracting information regarding worker's social demographic characteristics.

6. THEORETICAL FRAMEWORK

Figure 2. Framework for Promotion Mix Strategy in Shopping Centre

7. RESULTS

Table 1. KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.880
Bartlett's Test of Sphericity	Approx. Chi-Square	3252.968
	df	190
	Sig.	.000

In this regard, Kaiser recommended that the KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy coefficient value should be greater than 0.5 as a bare minimum for performing factor analysis. The KMO value of the data used for this study is .880. Furthermore, Bartlett's test of Sphericity derived the significance level as 0.00.

7 RESULT FOR HYPOTHESIS

Since 2019, the capacity of Hong Kong's inhabitants to get basic commodities at neighborhood shopping centers has been a key factor in the cities and their own resilience. If Hong Kong's retail sector is to have a second half rebound, it to most likely be led by these areas. It's no wonder that Hong Kong has such a wide variety of retail malls, since the city has the greatest commercial density in the world, with one mall every square mile and 5,606 square meters per square kilometer. The term "shopping mall" encompasses a wide range of establishments, from the small, neighborhood-serving arcades that many residents rely on it for their grocery and other daily needs to the large, multi-level complexes that offer a wide variety of stores and services for consumers of all income levels and sometimes even double as movie theaters and ice-skating rinks for those looking to spend some leisure time and energy. Hong Kongers have made trips to shopping centers a staple of daily life for decades.

Community malls in Hong Kong have benefited from the unwavering support of local consumers, who have shown that they are willing to ride through economic storms by continuing to shop there. In spite of being affected by the Covid-19 regulations, REITs have shown to be a resilient asset class and also have emerged as a sound defensive investment option for real estate investors. On basis of the above discussion, the researcher formulated the following hypothesis, which will analyze the relationship between promotion mix variables and shopping center performance.

H01: There is no significant relationship between promotion mix variables and shopping Centre performance.
H1: There is a significant relationship between promotion mix variables and shopping Centre performance.

Table 2. ANOVA

ANOVA					
Sum					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	785.191	4,089	65.433	1.465	.153
Within Groups	3886.369	9,820	44.671		
Total	4671.560	13,909			

In this study, the result is significant. The value of F is 1.465, which reaches significance with a p-value of .153 (which is less than the .05 alpha level). This means the "H01: There is no significant relationship between promotion mix variables and shopping Centre performance" is accepted and the alternative hypothesis is rejected.

8. CONCLUSION

This article last section is its conclusion. Researchers are beginning with a synopsis of the research, where they talk about what are found and what are didn't. Then, a summary of the results, both empirical and theoretical, is presented. Afterwards, some last thoughts and a discussion of the study's shortcomings are presented. The purpose of this thesis is to provide an analytical framework for understanding the factors that contribute to a city center's appeal, and for determining whether or not locals and tourists have distinct experiences of a city's central areas. There are two issues that go hand in hand with this study's overarching objective: what factors do customers value in city centers, and do locals and tourists have different opinions of these areas? This is an intriguing subject for study since many city centers are in decline as a result of competition from nearby cities and the proliferation of exterior retail complexes.

Previous studies in the fields of location marketing, place attractiveness, city center attractiveness, and retail served as the basis for the study's framework. The framework integrates five features: shopping, ease of access, entertainment options, activities, and vibe. Before putting forth hypotheses to be tested, a descriptive analysis of the self-evaluation questions was offered to highlight the significance of various characteristics in a city hub. Consumers seem to agree on virtually all of the assertions posed, suggesting that they are all relevant to life in a metropolitan hub. The presence of nightlife was the only element that detracted from the attractiveness of city centers overall. Aside from the nightlife, however, the following features were valued: ambiance; ease of getting around; parks and natural areas; restaurants and cafes; architecture; public transportation; stores; hours; temporary activities; entertainment; casual trading areas; stores; parking; and permanent events.

The next step was to check the validity of the four hypotheses. In order to verify our hypothesis, they used ANOVA test for independent samples. The ANOVA test for independent samples was run to see whether there is a significant difference in satisfaction levels between locals and tourists in Hong Kong's central business district. Surprisingly, no statistically significant differences were found between the two groups in terms of shopping, convenience, entertainment, or ambiance throughout the test. Notably, the outcome held true even when the groups were assigned differently.

LIMITATIONS

The study focuses on identifying the promotion mix factors of shopping behaviours in Hong Kong for the demographic and psychographic variables. It does not consider the influence of shopping centre efficiency, technology adoption and orientation of the running marketing system. It is a cross-sectional study to obtain the general perception of the visitors and shoppers towards promotion mix tools. No experimental design is considered.

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