IMPACT MARKETING STRATEGIES AND PROMOTIONAL COMPONENTS AND CUSTOMER RETENTION: AN EXPLORATORY STUDY BASED ON SHOPPING CENTERS

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ABSTRACT

An analysis of the shopping mall sector in Hong Kong, focusing on the connection between marketing strategy and customer retention, and the identification of the key elements of marketing strategy used to increase and sustain patronage. There has been a substantial increase in economic growth during the last several decades. Shoppers' preferences have shifted as well, from open-air marketplaces to climatecontrolled shopping malls, where they may browse at their leisure. Due in large part to this transformation, circumstances and an atmosphere have emerged that are conducive to the shopping centre industry's meteoric rise. The manager of a shopping centre has recently placed greater emphasis on investigating how the center's marketing strategy can help in maintaining the center's existing clientele in order to boost the center's patronage and rental income in light of the intense competition that exists between shopping centres and the growing recognition of the importance of maintaining customer loyalty within the shopping centre industry. After reviewing the related literature, consumers now know which components of marketing for shopping centres are most crucial to the industry. Large-scale shopping malls in a number of different nations commissioned a poll to learn more about consumers' attitudes about various marketing factors that might influence their likelihood of returning to the mall.

Keywords: Marketing Strategies, Promotional Components, Customer Retention, Shopping Centers.

INTRODUCTION

A constant influx of new customers is essential for the survival of companies and other organisations in today's highly competitive market. However, it's just as crucial to recognize the value of creating devoted customers. Since it might cost five to twenty-five times as much to bring on a new client as it does to maintain an old one,

boosting a company's customer retention rates can have a significant impact on profits. Chief executive officers (CEOs) would do well to learn about relationship marketing as a result. Customer retention strategies like relationship marketing make developing genuine bonds with patrons a top priority. The goal of relationship marketing is to have customers thinking about, talking about, and ultimately buying from a business more often so that they are more likely to buy from that firm again and again. Repeat business, positive word-of-mouth, and insightful criticism are all ways in which a company may benefit from its loyal patrons. Relationship marketing techniques seek to develop existing connections rather than merely focus on the process of obtaining new leads in order to gain a broader variety of commercial advantages (Raney, 2019).

The contemporary shopper may choose and select from a wider variety of products than ever before. In a short five-minute session, Facebook might randomly show ads for more than six different items or services. Due to the abundance of options available to consumers, it may be difficult for companies to win over and keep their patronage. To stand out from the competition and create enduring, mutually beneficial connections with consumers, businesses must prioritise providing value to those who patronise them. In this context, "customer value" refers to the anticipated satisfaction one receives from doing a certain action, relative to the expense involved. It's feasible that focusing on acquiring new clients rather than retaining current ones may result in a higher profit margin. Even while just a fraction of firms includes relationship marketing in their day-to-day plans, the overwhelming majority might get benefits from doing so. Interactional practices whose goal is to improve links with customers. Some of the most important aspects of relationship marketing are customer service. Consumer service in Hong Kong shopping malls was studied to determine its role in fostering customer happiness and loyalty. The implementation will take place at shopping centres because of the wide variety of services they provide to their customers. These services include credit card processing, customer complaint units, and free parking and restrooms. An extensive literature search was conducted at the outset of this investigation into areas including customer retention, customer satisfaction, and customer service. Both the scales and the sampling procedure utilised in this study were described in the section dedicated to methodology. To further exclude and classify customer service-related factors, an EFA was then conducted. Since the preexisting body of research lacked theoretical underpinning that was directly tied to the category of customer service, this study did not employ confirmatory factor analysis (CFA). Factor analysis was used to create a model for categorising customer service characteristics called the shopping centre customer service (SCCS) model, with the intention of enhancing the current body of research. This model illustrates the connection between customer service and the satisfaction and loyalty of a company's clientele. Eight key components were found to be controlled by EFA, as shown in the findings section (Peng, 2018).

BACKGROUND OF THE STUDY

There has been a lot of study on the correlation between the marketing mix and customer retention. The effects of the marketing mix elements on brand value were investigated. Customer loyalty was shown to increase when consumers had a favourable impression of the shop, paid attention to the advertisements, and bought the products. If the vendor sells the product under the researcher's brand at a major retail outlet, the product will likely be heavily promoted and distributed. Companies, banks, and whole sectors have all adjusted their tactics significantly during the last two decades. Businesses are now obligated to provide customer happiness as a consequence of liberalisation, globalisation, and privatisation (LPG). It's obligatory to talk about the evolution of marketing tactics. Each of the authors sees marketing strategy as crucial to the success of their own businesses. However, marketing strategy is seldom seen as a strategic discipline. A marketing plan has been around for a long time, and although the concept may appear innovative, it is impossible to operate without one. Research suggests that the origins of marketing strategies go back to the very beginning of commerce. The process of conceptualization is continuing, and there is still disagreement over its scope. The history of marketing strategy begins with the first days of marketing management and continues on through corporate marketing and into the present day. The development of marketing strategy through time demonstrates the potential for integrating previously separate strategic approaches. The Hong Kong is credited with pioneering the "mall" concept, which saw rapid expansion (Robins, 2020).

The concept was eventually applied to other countries throughout the world. These malls came in a broad variety of shapes and sizes, catering to shoppers with varying preferences. There has been a proliferation of shopping centres in Hong Kong recently. Horrendous competition exists amongst stores. Location is often the most important factor in determining a store's success. Because of shifts in consumer preferences, however, shopping centres are now destinations for family entertainment and meeting social needs in addition to the traditional functions formerly associated with them. A mall's ability to attract and retain customers depends in large part on the effectiveness of the marketing strategy its manager employs. These days, engineers and investors understand the importance of keeping regulars happy, and this has a direct impact on how successful a store's redesign turns out to be. If the shopping centre implements a successful advertising strategy, it will see an increase in foot traffic and repeat consumers, which will result in higher revenue for tenants and financial backers. Therefore, the designers will devote more time and energy to implementing a marketing strategy to boost the arcade's appeal and build a positive rapport with patrons. Education in both physical skills and technical skills is necessary to bring a group of employees up to speed as fast as possible and make them capable of serving the expectations of customers. This section of the research will evaluate the many different theoretical frameworks now employed in the retail business and perform a literature review of the existing literature on shopping malls (Phelps, 2019).

LITERATURE REVIEW

In the mobile phone market, there are a number of elements besides pricing that contribute to customers' level of brand loyalty, trust, and dependency. The trust and loyalty of mobile phone customers are not directly influenced by the customer satisfaction variable. New customers might be attracted to the mobile phone sector by emphasising this kind of advertising. Product quality affects customer loyalty and confidence in the brand, which in turn leads to greater brand commitment. Analysis of the factors that contribute to brand loyalty revealed that consumer loyalty, trust in a firm, and brand fidelity all play a role. The study also discovered a solid connection between consumer loyalty and trust. In the telecommunications industry, consumer trust in certain brands may be drastically affected by how quickly their orders are fulfilled. A look into how certain advertising expenditures affect repeat business and output is shown here. The developer spent four years analysing customer sales, advertising, and administration data for a subset of their customer contacts (Prentice, 2018).

The importance of closing sales and receiving larger rewards is a good indicator of how much clients value their ties with their customers; researchers should pay particular attention to these customers. However, studies on reliability and board data suggest that the intended advertising expenditures are not directly causing the observed increases in maintenance and productivity. Generally speaking, the size and financial advantages of the clients who get free equipment indicate that they are more deserving of such gifts. Research on client stamina reveals that it is related to client size rather than any particular promotional workouts. The use of targeted advertising activities has no discernible effect on the creation of customers with regards to efficiency. The Authors' Situation Company sees its allocated advertising activities more as a tool for managing and maintaining relationships with large customers than as a means of generating extra revenue. Businesses try to create in the collaboration with the airports, walkthroughs, and a reasonable design of preboarding areas since the environment turns out to be a major factor affecting the behaviour of customers. Customers think the inviting, stress-free ambiance is what ultimately leads them to make a purchase decision. The findings of this article provide important insights into how businesses may support price increase initiatives that are highly tailored to the shopping routines of customers across channels, therefore increasing sales on special occasions. Most of the stores in a shopping mall are independent entrepreneurs. Private eyes make it possible for trade groups to function in the real world. The success of a shopping centre is intrinsically connected to how well its administration handles the many retail groups that make it up. Because of the industry's rapid growth, a few key elements for mall organisation, in particular for stores, have emerged as essential (Preece, 2018).

METHODOLOGY

The researcher used a convenient sampling technique in this research.

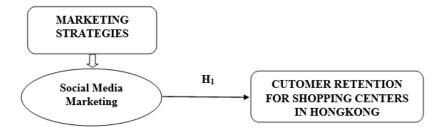
Research design: Quantitative data analysis was conducted using SPSS version 25. The combination of the odds ratio and the 95% confidence interval provided information about the nature and trajectory of this statistical association. The p-value was set at less than 0.05 as the statistical significance level. The data was analysed descriptively to provide a comprehensive understanding of its core characteristics. Quantitative approaches are characterised by their dependence on computing tools for data processing and their use of mathematical, arithmetic, or statistical analyses to objectively assess replies to surveys, polls, or questionnaires.

Sampling: Sample Size calculated through Rao-soft software was 1227, total 1875 questionnaires were distributed, out of which 1527 questionnaires were received back, and 112 questionnaires were rejected because they were incomplete. The final number of questionnaires used for study is 1415 with 778 males and 637 females respectively.

Data and Measurement: A questionnaire survey served as the main data collector for the study. There were two sections to the survey: (A) General demographic information and (B) Online & non-online channel factor replies on a 5-point Likert scale. Secondary data was gathered from a variety of sources, with an emphasis on online databases.

Statistical Tools: Descriptive analysis was used to grasp the fundamental character of the data. The researcher applied ANOVA for the analysis of the data.

THEORETICAL FRAMEWORK



RESULT

A total of 1875 questionnaires were distributed to the respondents. Out of this number 1527 sets of the questionnaire were returned, and 1415 questionnaires were analysed using the Statistical Package for social science (SPSS version 25.0) software.

Factor Analysis

Factor analysis is often used to verify the latent component structure of a set of measurement items (FA). It is believed that latent (or unseen) factors account for the observed (or measured) scores. Modeling is at the heart of accuracy analysis

- (FA). It focuses on modelling the interplay of seen occurrences, undiscovered causes, and measurement error. The Kaiser-Meyer-Olkin (KMO) Test may be used to determine whether the data is suitable for factor analysis. Both individual model variables and the whole model are tested to ensure sufficient sampling. Data analysis reveals the extent to which many variables may have some common variance. In most cases, a lower proportion indicates that the data is more amenable to factor analysis. KMO returns values between zero and one. The sample size is adequate if and only if the KMO value is between 0.8 and 1.0. A KMO of less than 0.6 indicates inadequate sampling and calls for adjustment. Some authors utilise the number 0.5 for this purpose; somewhere between 0.5 and 0.6, they'll have to use their discretion.
- KMO If it's close to zero, then means the sum of the correlations is tiny compared to the size of the partial correlations. To restate, large-scale correlations are a significant obstacle to component analysis. Here are Kaiser's minimum and maximum standards: Kaiser's minimum and maximum standards are as follows. Faltering between 0.050 and 0.059.

Below-average (0.60-0.69) In the middle school level, typically, With a quality point value between 0.80 and 0.89. Incredible diversity exists between 0.90 and 1.00.

Table 1: KMO and Bartlett's Test

The first phase of exploratory factor analysis (EFA) involves determining whether or not the data can be used for undertaking factor analysis. In this respect, Kaiser proposed that the KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy coefficient value should be more than 0.5 as a basic minimum for carrying out factor analysis. This is because KMO stands for the Kaiser-Meyer-Olkin measure of sampling adequacy. This research yielded a KMO value of .980 for the data that was utilised. In addition, the significance level was determined to be 0.00 according to Bartlett's test of sphericity.

Test For Hypothesis

Dependent Variable (Customer Retention for Shopping Center in Hong Kong)

Retention policy by a shopping center for consumers at its doorstep in Hong Kong aims for sustained loyalty and improvement from regular clients. This involves superb service and personalized shopping experiences through giving goodies, prizes, and more attractive loyalty programs. Other changes that would improve retail outlets might include a better store climate, a diverse list of tenants, and effective execution of interesting events and activity plans. In the very competitive Hong Kong retail market, retaining clients is the most critical factor for maintaining consistent traffic, achieving peak sales, and establishing long-term relationships between the customer and the shopping center to ensure repeat visits and continued profitability (Cheung et al., 2021).

➤ Independent Variable (Marketing Strategies)

Marketing strategies refer to the complete strategy or method applied by organizations for the marketing of products or services, attracting customers, and helping in achieving goals. This technique involves awareness of target customers, market research, and innovation of USPs. In other words, there are four essential elements of product positioning, price, distribution, and promotions in marketing tactics. It has advertising, digital marketing, public relations, social media, production of content, consumer participation, and many others. The basic goal is to develop brand recognition, increase sales, and encourage customer loyalty, which all differentiates the company from its competition in the marketplace (Li et al., 2023).

Social Media Marketing

SMM is the use of social media sites and websites for the promotion of a product, service, or brand. It involves the development and distribution of content, such as posts, photos, videos, and advertisements, to target a particular audience, increase brand awareness, drive traffic, and boost sales. Social media marketing utilizes the platforms of Facebook, Instagram, Twitter, LinkedIn, and TikTok to connect with consumers, gather feedback, and strengthen relationships. Effective SMM strategies often include paid advertising, influence partnerships, content marketing, and community building to maximize reach and impact (Chan et al., 2024).

Relationship Between Social Media Marketing and Customer Retention for Shopping Center in Hong Kong

Social media marketing (SMM) plays an important role in Hong Kong retail centres as it allows a shopping mall to reach the customers directly. The content, promotions, as well as interaction on social media channels, like Instagram, Facebook, as well as WeChat, enable the malls to build an engaging community. Marketing through social

media also helps the clients get all updates on new products, events, and exclusive offers. By regularly engaging with customers and asking for their opinion, malls can strengthen relationships, enhance customer satisfaction, and encourage recurrences. In a competitive marketplace such as Hong Kong, effective social media marketing techniques help create long-term customer loyalty as well as consistent traffic flow (Ho & Law, 2022).

On the basis of the above discussion, the researcher formulated the following hypothesis, which will analyse the relationship between Social Media Marketing and Customer Retention for Shopping Center in Hong Kong.

H01: There is no significant relationship between Social Media Marketing and Customer Retention for Shopping Center in Hong Kong.

H1: There is a significant relationship between Social Media Marketing and Customer Retention for Shopping Center in Hong Kong.

ANOVA Sum Sum of Squares df Mean Square F Sig. 99674.830 946 5876.972 4065.937 .000 Between Groups Within Groups 1092.936 468 2.597 Total 100767.766 1414

Table 2: H1 ANOVA Test

In this study, the result is significant. The value of F is 4065.937, which reaches significance with a p-value of .000 (which is less than the .05 alpha level). This means the "H1: There is a significant relationship between Social Media Marketing and Customer Retention for Shopping Center in Hong Kong" is accepted and the null hypothesis is rejected.

CONCLUSION

In the first section of their report, authors summarise the study and discuss their results and gaps. A theoretical and empirical summary of the findings follows. The researcher will conclude with some last observations and discuss the research's limitations. This thesis creates an analytical framework to identify a city's basic appeal and determine whether locals and tourists have distinct experiences in these places. This thesis investigates how residents and tourists see a city's important areas. This study's main objectives are to determine what city centre elements clients value most and if locals and outsiders see these sites differently. Since many city centres are in decline due to the competition from neighbouring towns and the emergence of external retail complexes, this is an intriguing issue to study. Previous

research in site marketing, place attractiveness, central city attractiveness, and retail informed this study. Marketing, marketing on social media traditional advertising, and online and offline advertising are the four pillars. Hypotheses were developed after describing the self-evaluation questions. A large metropolitan center's qualities were highlighted in the research. Consumers agree on almost all of the premises, showing they are relevant to living in a big metropolis. City centres are unsightly solely because of nightlife.

LIMITATION

Assumptions and mathematical models are used to construct mathematical expressions that are then used in quantitative procedures. Whether or whether these fundamental assumptions are applicable to other challenges is up for debate. Incorrect use of quantitative techniques may lead to terrible outcomes if care is not used. The cost of quantitative procedures is generally high since they need the expertise of trained professionals. Because many applications are not worth the price, even large firms apply quantitative approaches to a limited degree. customers prefer to use their intuition and judgement rather than quantitative tools to make choices. Inaccuracy in data, inconsistency in definitions, selection of the incorrect sample, poor choice of the technique, unsuitable comparisons, and improper presentations all contribute to the inaccuracy of quantitative approaches. Because quantitative approaches don't take into account the intangible and unmeasurable human elements, they can't be utilised to research qualitative phenomena. When it comes to making judgments, for example, customers' expertise, attitude, and zeal are not taken into account. Even still, intangible statements may be translated quantitatively in order to make use of the methodologies. One way to measure a customer's intellect is to give them various grades based on their various credentials.

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