

Study of impact of innovative methods to engage consumers in malls through entertainment

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According to Thompson (1965), “Innovation is the generation, acceptance and implementation of new ideas, processes products or services”. Van de Ven, (1986) have stated that “as long as an idea is perceived as new by the people involved, it is innovation”. People come to malls not only for product shopping but also recreation. Recreational motives include relaxation, relieving stress, improving mood, meeting new people, diversion from routine and keeping away from loneliness. The paper studies the innovative methods such as fun zones, food courts, live concerts, movie shows, toy trains, contests and mascots to entertain consumers. It examines mall visitors’ response to entertainment activities based on family life cycle stage and timing of visit to the mall i.e. weekdays and weekends. Primary data was collected from select malls in Pune and Mumbai through a structured questionnaire. Kendall’s W and Kruskal Wallis test were used to analyse the data. The results revealed that preference for entertainment activities differed with stage of family life cycle and timing of the visit The paper has important implications for mall developers in terms of increasing footfalls through consumer participation in entertainment activities and creating a brand differentiator through unique forms of entertainment.

Key words : innovation, entertainment, family lifecycle, retail

Introduction

According to Thompson (1965), “Innovation is the generation, acceptance and implementation of new ideas, processes products or services”. Van de Ven, (1986) have stated that “as long as an idea is perceived as new by the people involved, it is innovation”. Sorecu, et al (2011) have focused on the innovative business models in retail . Their paper mentions that innovation in retail pertains to three aspects (1) the way in which the activities are organized (2) type of activities and (3) level of participation by the consumers. Retail malls have focused on these three aspects in order to attract more footfalls to the malls. Nisco and Napolitano (2006) in their paper have mentioned that innovation in retail relates to the following (1) entertainment orientation as entertainment has an impact on consumption behaviour and presents a distinct store image (2) marketing innovation which relates to product assortment, visual merchandising, service and store environment and (3) non-

traditional methods such as use of technology in retailing. The current research focuses on entertainment orientation.

India is ranked as the fifth most emerging destination for retail in the world (A.T. Kearney's annual Global Retail Development Index, 2012). The country is ranked behind Brazil, Chile, China and Uruguay. AT Kearney further mentions that the Indian retail market is expected to grow between 15 % to 20 % in the next five years. The Indian retail market is estimated at Rs 19,48,916 crore (Indian Retail Report, 2011). The retail and Logistics industry together employ 40 million Indians (CCI, India, 2012). The Indian retail market has maintained a share of 30 % of the GDP (Indian Retail Report, 2011).

The retail market in India is divided into organized and unorganized retail. The share of organized retail market as a percentage of the total market is estimated to be 6.5 % ie Rs 1,26,680 crore of the total retail market (Indian Retail Report, 2011) and is growing at a CAGR of 27.69 % contributing 2.1 % to the GDP (Indian Retail Report, 2011). In India, organized retail exists in various formats such as shopping malls and multi-storied shopping complexes offering one stop solution for all shopping needs in addition to, entertainment and eateries (Indian Retail Report, 2011). The urban consumer shopping behavior is inclined towards organized retail it offers more product variety and different product categories under one roof (Indian Retail Report, 2011). In 2012, The Government of India permitted 100 % FDI in "single brand retail" and 51 % FDI in "multi brand retail" thus paving the way for global competition. (DIPP, FC-Section-1, Jan 10, 2012 & D/o IPP File No.: 5/12//2010-FC-I dated: 20th September, 2012 , Government of India)

Several papers have been published on the impact of family life cycle on shopping behaviour (Rich and Jain, 1968; McAulay and Nutty,1982). However, research relating to preference for entertainment with reference to family life cycle has not been explored. A study by Hawks and Ackerman (1990) identified the difference in shopping styles, information use and decision making. The research revealed that young adults are brand conscious whereas the older generation seeks more information. The research was with respect to consumer durables. The results also revealed that unmarried young adults and single parents make decision by themselves whereas married adults make decisions in consultation with spouse.

Review of Literature

Shopping behaviour has undergone a paradigm shift from product orientation to entertainment orientation in retail outlets and malls (Csaba and Askegaard 1999; Kozinets et al. 2004; Talpade and Hayes, 1997). Malls offer sufficient scope for entertainment and social interaction apart from shopping. (Frat and Venkatesh 1993; Pine and Gilmore 1999). They offer food courts, restaurants, cinemas, children's play areas, other forms of entertainment, relaxation spaces, and promotional areas to create various reasons to visit a mall for shopping (Terblanche 1999). Stone (1954) proposed that shoppers can be classified based on the shopping motives. Shopping motives can also be understood on the basis of lifestyle of shoppers. The lifestyles include activities, interests and opinions (Farrag, El Sayed, and Belk, 2010).

Malls have been found to attract shoppers for entertainment in addition to shopping (Bloch, Ridgway and Dawson, 1994). Hence entertainment shopping experience can be combined with utilitarian experience where a customer is involved with product buying as well as seeks entertainment through window shopping at other stores. According to Jones (1999), through his paper inferred that entertainment experience may or may not be related to buying a product. For example, a shopping trip may be carried out to gather information about new fashion trends. This can be related to stores that carry a unique set of products, new products or when visiting new places or new shopping centers. Entertainment is also experienced while participating in a sales event such as contests. It may also relate to spending leisure time at fun zones or combining a shopping trip with watching a movie and eating at food court (Ferrag, El Sayed, Belk, 2010). Hence entertainment can be customer related or retailer related. Jones (1999) has suggested in his paper that retailers should have a store layout that encourages quick purchasing for utilitarian shoppers as well as provide opportunities for entertainment to hedonic shoppers.

A study by Sit (2003) on the youth age group of 15 to 24 years in Australia has identified three activities which provide recreation / entertainment to shoppers. (1) thrill seeking or adventure shopping (Arnold and Reynolds, 2003) which considers shopping as an adventure to seek sensory stimulation. (2) Escapism, which considers shopping as an activity to escape boredom or relieve stress. These findings were confirmed by Tauber (1972) which he called as Diversion shopping. Researchers (Celsi, Rose and Leigh 1993) have also called this motive as gratification shopping. (3) Social shopping which includes shopping with family

and friends or interacting with people of similar interests (Arnold and Reynolds 2003). The study was conducted with reference to youth who seek entertainment through watching movies and who seek entertainment through dining at food court. Results of t-test indicated that there was no significant difference in escapism and socializing motives of movie goers and food lovers. However, with respect to thrill seeking, it was found that movie goers lay greater emphasis on thrill seeking as compared those dining at food courts.

Christiansen et al (1999) studied the impact of mall entertainment value on mall profitability. Perceptions of mall managers and customers were taken into account. The results showed that entertainment value increases sales per square foot from the point of view of mall managers. However, from customer's perspective, mall entertainment value is not related to number of products purchased and the time spent in shopping. Hence, the customers' perceptions are contrary to the mall managers perceptions. Hence, the researchers propose that mall developers should re-think on providing entertainment in the mall.

Lotz et al (2010) have identified that consumer participation in entertainment activities and shopping in malls is related to "mood" of the consumer. The factors contributing to the "mood" of consumer were specified as

1. freedom of choice – providing increased choice of activities to consumer
2. skills and challenges – the entertainment activities should provide challenges and test skills of the consumers
3. motives – whether the consumer has visited the mall for utilitarian or hedonic motives.

The age group selected for study was 18 to 44 years. The data was collected from two major entertainment malls in US metropolitan areas of Arizona and California. The entertainment activities included cinema hall, amphitheater, garden and play area and video games. Data was collected through mall intercept surveys at different times of the day. The findings showed that all the three factors were related to consumer mood for participation in entertainment activities. The study has important implications for retailers to understand drivers of consumer shopping and entertainment.

Hedonic motives result in positive outcomes such as spending more time within the store and increased spending which includes making unplanned purchase (Babin et al., 1994). Bellenger and Korgaonkar (1980) have empirically established that recreational shoppers account for 69 % of all the shoppers. The organized retailers should therefore focus

on providing a good recreational experience to increase market share (Talmadge, 1995; Kim et al., 2005).

Timing of shopping is also called temporal perspective which may range from time of the day to season in a year when purchases are made (Belk, 1975). Anic and Radas (2006) have emphasized the importance of time in shopping and purchase outcomes. The study was carried out with a hypermarket retailer of Croatia using a sample size of 300 respondents in the age group of 35 to 45 years out of which 58 % were females and 42 % were males. The survey was carried out for six day period at different times of the day. The results of one way ANOVA indicated that there was no significant difference amongst early shoppers (those who shopped before 2 pm) and late shoppers (those who shopped after 2 pm) with respect to in the number of items purchased and money spent on shopping.

This was in contrast to the study by Nicholls, Roslow and Dublish (1997) whose study indicated that early shoppers spent more money than late shoppers. Their study was carried out on a sample of 100 Hispanics, who are the residents of South Florida, USA and consistently shop in malls. 62 % of the respondents were females and 38 % were males. The median age of the respondents was 42 years. Travel time to the malls was taken as another perspective. They found that consumers who travelled for half an hour or more to visit a mall exhibited purchase behaviour. Another study by Kumar and Levinson (1995) highlights the impact of time factor on shopping. Their research on US customer shopping patterns indicates that customer shop more on weekends than weekdays. They are willing to travel a larger distance and shop at far off stores at weekends compared to weekdays.

Null Hypothesis

Ho1 : There is no significant difference in response to entertainment activities based on stage of family life cycle.

Ho2 : There is no significant difference in response to entertainment activities with respect to timing of visit (weekday / weekend)

Research methodology

Secondary data was collected through research reports of McKinsey, Jones Lang LaSalle, ICRIER (Indian Council for Research on International Economic Relations), newspaper articles, research journals and websites related to retailing associations. Mall intercept technique was used to collect the primary data from Pune and Mumbai. Among the

metropolitan cities of Maharashtra, Pune and Mumbai have seen the largest growth in terms of number of malls (Jones Lang LaSalle, 2010). These two cities also rank amongst the top eight metropolitan cities of India (Census of India, 2011). Malls having space of more than 1,00,000 square feet of space and footfalls of more than 15,000 on the weekends and more than 10,000 on the weekdays were identified for study. These malls house all the prominent stores and brands of the product categories under study. Hence, stratified sampling was used to categorise the malls whereas convenience sampling was used to capture the consumer responses. The sample size was 163 which included singles, married couples and couples with small children. Data was collected on weekdays and weekends to find out if there was a difference in responses. Consumer responses were collected using a ranking scale, where 1 = most preferred and 7 = least preferred. Since responses were collected using an ordinal scale, non parametric statistical tests were used to analyse the data.

Reliability and Validity testing

Reliability of the data was tested using Kendall’s W test. Divergent validity was tested using Chi square test. The hypotheses were tested using Kruskal Wallis test. All the tests were administered using SPSS 20.

Analysis and Interpretation

Exhibit 1

		time of visit			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	weekday	79	48.5	48.5	48.5
	weekend	84	51.5	51.5	100.0
	Total	163	100.0	100.0	

48.5 % respondents were captured on weekday whereas 51.5 % respondents were captured on weekend.

Exhibit 2

		stage of lifecycle			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	48	29.4	29.4	29.4
	young married couple	71	43.6	43.6	73.0
	couple with young kids	44	27.0	27.0	100.0
	Total	163	100.0	100.0	

29.4 % of the respondents were single, 43.6 % were young married couple and 27 % were respondents were couple with young kids (below the age of 10 years)

Exhibit 3

		purpose of visit			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	entertainment	64	39.3	39.3	39.3
	Shopping + entertainment	99	60.7	60.7	100.0
	Total	163	100.0	100.0	

39.3 % of respondents came only for entertainment whereas 60.7 % of the respondents combined shopping trip with entertainment.

Exhibit 4

stage of lifecycle * purpose of visit Crosstabulation

Count		purpose of visit		Total
		entertainment	both	
stage of lifecycle	Single	25	23	48
	young married couple	25	46	71
	couple with young kids	14	30	44
Total		64	99	163

Exhibit 5

Kendall's W test for reliability & Chi square test for divergent validity

Test Statistics	
N	163
Kendall's W ^a	.604
Chi-Square	590.929
df	6
Asymp. Sig.	.000

a. Kendall's Coefficient of concordance

Kendall's coefficient of concordance $W = 60.4\%$ which indicates the strength of agreement amongst respondents and hence the data is considered reliable. The chi square value of 590.929 at $p < 0.05$ indicated the convergent validity of the data.

Exhibit 6

Krushak Wallis test for hypothesis testing

1st Hypothesis

Ranks			
	stage of lifecycle	N	Mean Rank
fun zones	Single	48	104.53
	young married couple	71	93.54
	couple with young kids	44	38.80
	Total	163	
food court	Single	48	83.66
	young married couple	71	72.59
	couple with young kids	44	95.38
	Total	163	
live concerts	Single	48	67.09
	young married couple	71	60.58
	couple with young kids	44	132.82
	Total	163	
Movie	Single	48	56.65
	young married couple	71	66.56
	couple with young kids	44	134.57
	Total	163	
toy train	Single	48	100.47
	young married couple	71	97.23
	couple with young kids	44	37.27
	Total	163	
Mascot	Single	48	93.54
	young married couple	71	97.68
	couple with young kids	44	44.11
	Total	163	
Contests	Single	48	71.44
	young married couple	71	79.43
	couple with young kids	44	97.67
	Total	163	

Test Statistics^{a,b}

	fun zones	food court	live concerts	movie	toy train	mascot	contests
Chi-Square	60.791	9.005	92.110	90.496	88.766	63.435	11.393
df	2	2	2	2	2	2	2
Asymp. Sig.	.000	.011	.000	.000	.000	.000	.003

a. Kruskal Wallis Test

b. Grouping Variable: stage of lifecycle

The analysis indicates that there is significant difference between preferences amongst unmarried, young married couple and couple with kids.

Single - highest preference for movie and contests

Young married couple – highest preference for food court and live concerts

Couple with children – highest preference for toy train ,mascots and fun zone

Hence the 1st null hypothesis is rejected.

2nd Hypothesis

Ranks

	time of visit	N	Mean Rank
fun zones	weekday	79	91.30
	weekend	84	73.25
	Total	163	
food court	weekday	79	75.13
	weekend	84	88.46
	Total	163	
live concerts	weekday	79	102.62
	weekend	84	62.61
	Total	163	
movie	weekday	79	90.79
	weekend	84	73.73
	Total	163	
toy train	weekday	79	63.58
	weekend	84	99.32
	Total	163	
mascot	weekday	79	77.26
	weekend	84	86.46
	Total	163	
contests	weekday	79	81.91
	weekend	84	82.08
	Total	163	

Test Statistics^{a,b}

	fun zones	food court	live concerts	movie	toy train	mascot	contests
Chi-Square	6.957	4.556	38.276	6.330	38.189	2.512	.001
df	1	1	1	1	1	1	1
Asymp. Sig.	.008	.033	.000	.012	.000	.113	.977

a. Kruskal Wallis Test

b. Grouping Variable: time of visit

The test statistics show that there is significant difference in entertainment preferences amongst weekday and weekend visitors with respect to fun zones, food court, live concerts, movie and toy train

Weekday visitors prefer food court, toy train and mascots whereas weekend visitors prefer fun zones, live concerts and movie.

Hence the 2nd null hypothesis is rejected.

Managerial Implications

The study will help retailers to provide those entertainment activities which consumers prefer at retail malls. Every mall has a heterogeneous crowd; hence the modes of entertainment will vary. The mall developers have to decide the right mix of stores and entertainment activities to maintain footfalls in the malls. Entertainment activities can help in building consumer loyalty for the mall and indirectly benefit the product retailers in terms of large crowd. However, as highlighted by published literature, entertainment should focus on participation and creating a brand differentiator through unique forms of entertainment.

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