IMPACT OF SOCIAL MEDIA ON MALL BUSINESS AND GROWTH

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Abstract

Social Networking is an online platform making use of the Internet to build network or relationships with other people/entities. Social networking strategies have proven to be of great use in increasing business growth of organizations. In this paper, we examine the various social media strategies that are used by shopping malls for their sustainable growth. We also examine how these social media strategies are used effectively by malls to generate business and we also examine how these strategies can help in creating sustainable business growth for malls. In this research paper, we make use of surveys done of customers of malls and retailers in shopping malls to understand the impact of social media on malls. The results of the survey show majority of people visiting shopping malls are a part of social networking platforms. It also shows that retailers who make use of social media to promote their businesses have a better connect with customers and are able to increase their footfalls and business. This paper highlights that well-planned social media strategies can help mall stores to attract customers to the store and persuade them to buy their products and thus increase their revenue.

Keywords: Social Media, Strategies, Mall, Business, Growth

Introduction

A shopping mall is defined by International Council of Shopping Centers (ICSC, 2004) as a shopping centre which is typically enclosed, climate controlled and lighted, flanked on one or both sides by storefronts and entrances. For malls to have a sustainable growth, they need to have a constant footfall of customers, i.e : customers visiting the mall regularly and spending money at the mall purchasing products and services of the mall. Attracting customers to the mall is the key to success of a mall. Malls implement many strategies to attract customers. Of late, social networking is an important element of marketing strategies of all organizations, including malls.

Mirriam-Webster dictionary defines social media as “the various forms of electronic communication, such as websites, through which people create online communities to share information, ideas, personal messages, etc.

Social media in general is used with reference to social networking sites like:

1) Facebook: a social networking site which allows members to share posts with information, photos, videos, etc.
2) Twitter: a social networking site which allows members to post updated, status known as ‘tweets’ in real-time.
3) Instagram: a social networking site which allows members to share photographs.
4) Linkedin: a social networking site which allows members to post their resumes and connect with other professionals.
5) Youtube: a site which allows members to post videos. This is a vast repository of videos from various sectors.

Of late, there are a large number of social media avenues including – Snapchat, Pinterest, Google+, Flickr, Wordpress, etc. All these social media sites are used not just for time pass, but can be used in workspace by organizations to promote their business.

In this paper, we look at social media strategies used by malls for marketing to promote their mall business.

**Literature Review**

Marketing is the process of creating customers. Marketing strategy is all about creating value for customers (Kotler and Armstrong, 2004). They key in marketing strategy is to create and deliver value to customers in such a way that it helps to create strong relationships with the customers (Kotler and Armstrong, 2009).

Social media marketing strategies are free and can be used very easily compared to other tools used for promotion (Levinson and Gibson, 2010). The use of Facebook, Twitter and other social media sites helps to reach out to thousands of people without much expense and helps to reach out to that class of people who have disposable income to spend.

Facebook and Twitter are the most popular websites in the social media sphere. It is estimated that there are 388,55,67,619 Internet users in the world. In India, it is estimated that there are 46,21,24,989 Internet users, majority of whom are in cities and metro areas. (Miniwatts Group World Internet stats, 2017).

When we look at the most popular website Facebook, it is estimated that there are 2 billion active users worldwide. For the first time, India has overtaken USA in terms of number of Facebook users, with India having 201 million active users (Next Web, 2017).

Having a presence on social media and interacting with users helps to attract customers to a brand. A study found that social networking fans of a brand are more likely to have a positive attitude towards the brand than negative (Chordas, 2009).

A study on the use of social media by LuLu mall in Kerala shows the efficacy of social media strategy. (socialsamosa.com, 2014), The mall organized a shopping fest in 2013 which it promoted on social media through Facebook and Google. Its Facebook campaign made 81,17,770 impressions and had a reach of 251,568. As a result of the successful campaign, the mall footfalls increased from 14,40,770 to 17,37,482. Its sales increased by 29% which was attributed to its social media strategy. The mall also won the ‘Online retail marketing campaign of the year’ award at the Asia Retail Congress award ceremony.

**Research Methodology**

The **objectives** of this study are

1. To understand impact of social media on customers of malls.
2. To understand how social media strategies can help to increase customer footfalls in malls.
3. To understand the impact of social media strategies on the growth of business in malls.

Scope
The study was conducted at six malls in Bangalore – Mantri Square, Phoenix Marketcity, Orion Mall, UB City, Gopalan Arcade and Esteem Mall.

Sampling Techniques
Sampling was done from customers visiting malls and from retailers of the malls. Random sampling technique was used to select samples.

Sample size

Samples were taken as follows:

*Table 1 – Sampling plan (in numbers)*

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Name of Mall</th>
<th>No of customers sampled</th>
<th>No. of retailers sampled</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mantri Square</td>
<td>100</td>
<td>30</td>
</tr>
<tr>
<td>2</td>
<td>Phoenix Marketcity</td>
<td>100</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Orion Mall</td>
<td>100</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>UB City</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td>5</td>
<td>Gopalan Arcade</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td>6</td>
<td>Esteem Mall</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Sample Size</strong></td>
<td><strong>450</strong></td>
<td><strong>135</strong></td>
<td></td>
</tr>
</tbody>
</table>

Sampling Tools
Sampling was done through questionnaires, which were administered to the customers of malls as well as the retailers in the malls as per the sampling plan.

DATA ANALYSIS AND INTERPRETATION

Customer Survey
C1) Social media usage by customers

*Table 2 – Social media usage by mall customers (in percentage)*

<table>
<thead>
<tr>
<th></th>
<th>Mantri</th>
<th>Phoenix</th>
<th>Orion</th>
<th>UB City</th>
<th>Gopalan</th>
<th>Esteem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regularly use</td>
<td>80.0</td>
<td>82.0</td>
<td>81.0</td>
<td>92.0</td>
<td>78.0</td>
<td>70.0</td>
</tr>
<tr>
<td>Rarely use</td>
<td>15.0</td>
<td>16.0</td>
<td>14.0</td>
<td>8.0</td>
<td>10.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Don’t use</td>
<td>5.0</td>
<td>2.0</td>
<td>5.0</td>
<td>0.0</td>
<td>12.0</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Total Percent</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td><strong>Total Number</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>50</strong></td>
<td><strong>50</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>
80% of customers visiting malls use social media. This is more in the case of large malls and UB city and slightly less for Gopalan and Esteem.

C2) Extent of usage of social media

Table 3 – Extent of usage of social media by mall customers (in percentage)

<table>
<thead>
<tr>
<th>Mall</th>
<th>Many times a day</th>
<th>Once a day</th>
<th>Once a week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mantri</td>
<td>60.0</td>
<td>30.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Phoenix</td>
<td>70.0</td>
<td>24.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Orion</td>
<td>62.0</td>
<td>31.0</td>
<td>7.0</td>
</tr>
<tr>
<td>UB City</td>
<td>85.0</td>
<td>12.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Gopalan</td>
<td>50.0</td>
<td>30.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Esteem</td>
<td>45.0</td>
<td>37.0</td>
<td>18.0</td>
</tr>
</tbody>
</table>

A majority of mall customers use social media many times a day, more in the case of UB city, which is a luxury mall and slightly less for Gopalan and Esteem which are smaller malls.

C3) Popularity of social media platform

Table 4 – Popularity of social media platforms (in percentage)

<table>
<thead>
<tr>
<th>Mall</th>
<th>Facebook</th>
<th>Twitter</th>
<th>Instagram</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mantri</td>
<td>75.0</td>
<td>20.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Phoenix</td>
<td>72.0</td>
<td>26.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Orion</td>
<td>71.0</td>
<td>19.0</td>
<td>10.0</td>
</tr>
<tr>
<td>UB City</td>
<td>70.0</td>
<td>16.0</td>
<td>14.0</td>
</tr>
<tr>
<td>Gopalan</td>
<td>81.0</td>
<td>15.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Esteem</td>
<td>90.0</td>
<td>6.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Figure 1 – Chart showing extent of social media usage by mall customers

Figure 2 – Chart showing popularity of social media platforms
Of the various social media platforms, Facebook is very clearly the leading choice of more than 3/4th of mall customers.

C4) Reason for following brands on social media

![Reason for following brands on social media chart]

Most customers follow brands on social media to get to know about offers provided by the brands. In small malls low pricing of products is given weightage by customers.

C5) Influence of online campaigns on mall visits

<table>
<thead>
<tr>
<th>Mall</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mantri</td>
<td>85.0</td>
<td>15.0</td>
</tr>
<tr>
<td>Phoenix</td>
<td>88.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Orion</td>
<td>84.0</td>
<td>16.0</td>
</tr>
<tr>
<td>UB City</td>
<td>90.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Gopalan</td>
<td>88.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Esteem</td>
<td>87.0</td>
<td>13.0</td>
</tr>
</tbody>
</table>

![Impact of social media on mall visits chart]
Most of the customers (more than 80%) feel that online campaigns will influence them to visit shopping malls.

C6) Online campaigns leading to purchase at malls

Table 6 – Whether Social media campaign impacts mall purchases (in percentage)

<table>
<thead>
<tr>
<th>Mall</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mantri</td>
<td>71.0</td>
<td>29.0</td>
</tr>
<tr>
<td>Phoenix</td>
<td>81.0</td>
<td>19.0</td>
</tr>
<tr>
<td>Orion</td>
<td>72.0</td>
<td>28.0</td>
</tr>
<tr>
<td>UB City</td>
<td>70.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Gopalan</td>
<td>77.0</td>
<td>23.0</td>
</tr>
<tr>
<td>Esteem</td>
<td>85.0</td>
<td>15.0</td>
</tr>
</tbody>
</table>

Figure 5 – Chart showing impact of social media on mall purchases

Most of the customers (more than 70%) feel that online campaigns will influence them to purchase products at malls.

Survey of Mall Retailers

R1) Social media campaign impact on footfalls

Table 7 – Whether Social media campaign leads to footfall increase

<table>
<thead>
<tr>
<th>Mall</th>
<th>Large increase</th>
<th>Moderate increase</th>
<th>Small Increase</th>
<th>No increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mantri</td>
<td>9</td>
<td>6</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Phoenix</td>
<td>9</td>
<td>6</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Orion</td>
<td>6</td>
<td>12</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>UB City</td>
<td>3</td>
<td>6</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Gopalan</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Esteem</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

Figure 6 – Chart showing impact of social media on customer footfalls

Most mall retailers were of the opinion that there was a moderate increase in footfalls as a result of social media campaigns. In Mantri and Esteem majority retailers felt there was a large increase.
R2) Social media campaign impact on business growth

Table 7 – Whether Social media campaign leads to increase in business growth

<table>
<thead>
<tr>
<th>Mall</th>
<th>&gt;50%</th>
<th>30-49%</th>
<th>10-29%</th>
<th>&lt;10%</th>
<th>No growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mantri</td>
<td>3</td>
<td>12</td>
<td>5</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Phoenix</td>
<td>6</td>
<td>9</td>
<td>3</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Orion</td>
<td>2</td>
<td>6</td>
<td>12</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>UB City</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Gopalan</td>
<td>2</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Esteem</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Mall retailers sampled felt that there was approximately between 30 – 49% increase in business growth as a result of social media campaigns (this was 10-29% for Orion and UB City). Most retailers felt that there was some increase in growth as a result of social media.

Summary of Findings

This survey of customers which was done in select malls in Bangalore shows very clearly that a majority of people who visit malls, actively use social media. Most of these customers have access to social media campaigns run by malls. The customer survey also shows that customers are influenced by social media campaigns to not only visit malls, but also carry out purchases when they visit malls as a result of the social media campaign.

The survey of mall retailers shows that when the mall and/or retailer carry out social media campaigns, there is a significant increase in footfalls during that period, as per the opinion of the retailers. The survey also reveals that during the social media campaigns there is an increase in business.

Conclusion

From this study we can conclude that social media is extremely popular in today’s world, especially in urban areas. The study also clearly shows that Facebook is by far the most popular social media platform. Malls being a hub of economic activity cannot miss the opportunity of running social media campaigns. The study
shows there is a definite impact of social media campaigns on customer footfalls and also on business of the mall. Using social media effectively definitely has a positive impact on mall business and growth.

**Recommendations**

Based on the study the following recommendations are made to mall retailers:

a. Well planned social media campaigns are a must in today’s digital world

b. Running campaigns on Facebook is the most effective social media strategy

c. Social media campaigns must be designed attractively and must motivate customers to visit mall, thus increasing footfalls and increasing the chance of their purchasing products at the malls

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