

Changing Customer Loyalty

By Harminder Sahni

FOR A MALL TO ENJOY THE KIND OF CUSTOMER LOYALTY THAT TRADITIONAL MARKETS, SUCH AS DELHI'S CHANDNI CHOWK, DO, THERE IS A NEED TO RESEARCH AND ANALYSE VARIOUS SHOPPING MISSIONS OF TARGET CONSUMERS AND TO IDENTIFY THE POSSIBLE SET OF MISSIONS THAT THE PROPOSED MALL MAY FULFILL!

→ Over the last decade or so, numerous researches have shown that Indian consumers are more loyal to markets than to stores and, in relative terms, more loyal to stores than to individual brands. I expect that with the aggressiveness of brands and consumers' evolution, the scale may have tilted a little bit in favour

of brands, but the arrival of modern retail 'store brands' may have nullified the same to some extent.

The brands have tried to create exclusive outlets to form and retain a loyal consumer base, which is, otherwise, enticed by large department stores with the promise of offering 'all brands under one roof'. While the tussle between brands and modern retailers for consumers' attention and loyalty is being played out every day, the more important element of consumer loyalty and preferences towards certain markets is being missed out to a large extent.

If you ask any Indian consumer anywhere in the country "where are you going for shopping?", there are very high chances that they will name a particular market and not a particular store. The fundamental reason for this is that most consumers go shopping with a long list of items and are on a shopping mission when they step out to shop. The shopping mission has some primary shopping list, but there are many other unlisted, unplanned shopping sub-missions that sway the decision of going to a particular market.

Indian traditional market places, even in smaller towns, are pretty large spaces with a main market street and arterial shopping gullies (streets) along with speciality markets like a *sarrafra bazaar* tucked somewhere in between. These markets let consumers accomplish their intended and unintended shopping missions quite comfortably, along with the opportunity to window shop and shop impulsively. There are sufficient numbers of diverse retailers who together are able to offer the consumer a wide variety as well as opportunity to compare prices and shop smartly and efficiently.

In the consumer's mind, a 'good market' is one that offers all the above and more. While the consumer may



not be able to articulate it in as many words, their footfalls are the best verdict and they make or break a market. Since the markets are an amalgamation of many retailers and other factors and generally are not owned or managed by a single entity, consumer loyalty towards the markets has never been measured or built, as is, otherwise, done by brands and modern retailers.

Now, let us talk about 'malls' – the most visible symbol of consumerism and facilitator and enabler of growth of modern retail. The US has been credited with pioneering the concept of modern malls, even though Duomo in Milan and Grand Bazaar in Istanbul are two very good examples of old time malls that still manage to attract hundreds of thousands of consumers every year.

Open markets such as Chandni Chowk and Oxford Street are still relevant and thriving market places. A *bazaar* (market) or a mall – call it whatever you want – is a public place that attracts and retains loyalty of consumers more than a retail store or even the most powerful brands.

With the arrival of malls that are much more organised versions of old time *bazaars* and relatively recently developed markets, I believe there is a reason and opportunity to pay more attention to the concept of measuring, managing and monetising the concept of 'market loyalty' of Indian consumers. The very first step to build a loyal consumer base for a mall will be exactly like it is done in the case of a consumer brand. A mall developer and management company needs to go beyond the usual study of catchment and go deeper into consumers' lives to understand their current needs, latent demands and expected evolution over the next 20-30 years.

In most cases, the target customers are classified on the basis of income and other factors. However, these simplistic parameters offer only limited insight into the consumption and hardly any information about the real shopping behaviour. To be able to profile a mall well, there is need to research and

analyse various shopping missions of target consumers to identify the possible set of missions that the proposed mall may fulfill. It is necessary to bear in mind that any single mall can never and should not even try to be everything to even select target consumers. Once the shopping mission analysis is complete and a strategy is developed around the select shopping missions, the task of selecting product categories and retailers and brands in each category will become much easier. Thus, the mall will be ready to service shopping missions, while the brands and retailers take care of the specific needs of consumption across categories.

The job is only half done with the opening of the mall with the right mix of retailers and brands. The other half is to bring in and keep bringing in target consumers on a regular basis. While traditional bazaars and markets did not have a single entity or management to oversee these fine establishments, modern malls are not any better either. There are very few malls in India that can boast of being properly managed, to capture the imagination of the fast evolving consumer demands. Many malls have got into really long-term deals, some times for 30 years, with their anchor tenants without considering the implication of being saddled with a discounter, while the catchment has evolved to be more affluent and aspiring for better shopping.

I believe while it may take long for Indian consumers to become brand loyal, they have been and will remain loyal to retailers and even more loyal to their favourite market places, and this is something I hope mall developers and managers will manage to harness and work upon. ❑

ABOUT THE AUTHOR



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