

Targeting the mall rats

Advertisers are keen to catch shoppers in a buying mode, and retailers are more than willing to give them space to highlight their products

BY GOURI SHAH & SAUMYA ROY

The din in the malls has gone up a decibel. Advertisers are now tapping organized retail to pitch their wares. So, the bargain hunters at Big Bazaar not only have to push and shove to get past the multitude of shoppers, they now have to outshout the music from the Big 92.7FM radio channel. The super-market chain from India's largest listed retailer, Pantaloon Retail India Ltd, has struck a deal with the radio network owned by the Anil Dhirubhai Ambani Group to air its programmes in stores across the country.

It is not shoppers alone who make up Big Bazaar's revenues; advertisers chip in with a fair bit. An executive at a Mumbai-based mall estimates that selling ad spaces in stores accounts for 15% of a mall's revenue. And ad spaces include much more than the odd wall slot.

Big Bazaar has a monthly in-store magazine, *My World*, store window displays, ads on walls and floors, ceiling-high banners, kiosks to run promotions for advertisers, television screens and, more recently, piped-in radio stations. And there is more in the pipeline: a television channel, Future TV, which will run ads, along with some programming, in malls and shops.

Pantaloon Retail is not alone in spotting this opportunity. Most companies are busy leveraging the advertising potential of their stores. They are just following a global trend. Wal-Mart, in fact, launched its TV network way back in 1997 (see box).

In India, advertising in retail spaces (or retail marketing as some experts call it) is in its infancy, and numbers are few. Advertisers put their spend on retail marketing initiatives at Rs1,000 crore. "It is likely to double in the next three years," says Prashant Guntey, business head, Percept Retail, a consulting company for brands and retail businesses.

Such optimism seems justified, going by the sheer visibility retail marketing affords. Typically, about 40,000 customers walk in on a weekend at a Big Bazaar outlet. What is also crucial is that marketers are able to 'catch' consumers at a point when they are about to make a purchase decision in "the perfect ambience of consumption", as Partho Dasgupta, chief executive officer, Future Media (India) Ltd, puts it.

With organized retail estimated to be growing at 35% a year, the opportunity for retail marketing is huge. According to estimates from Trammell Crow Meghraj Property Consultants Pvt. Ltd, 51 malls are under construction in Mumbai alone, and 15 are already in operation. This grow-



ing tribe of retailers does not mind renting out space to run commercial messages, especially when this adds a tidy sum to revenues.

Advertisers, on their part, are quite excited about the new opportunity. Big FM pays about Rs1 lakh per month for each Big Bazaar store that plays its radio station.

"The idea is to get people to experience the content on our radio stations. Malls and upscale retail spaces with high footfalls are the perfect places for us to be heard," says Anand Chakravarthy, vice-president, marketing, Big 92.7FM. Through such playouts in stores in Mumbai, Delhi,

Bangalore and Kolkata, Big FM reaches more than three million people each month.

Radio is just one of the many advertisers queuing up for retail marketing. "FMCG companies are the lowest hanging fruit among the top categories advertising on our network," says P.R. Sathesh, COO, TAG Media Network Pvt. Ltd, which has partnered with retail chains such as Spencers, Trinetra, Fab Malls and Food World to set up in-store television screens.

There is a lot of interest from other categories such as insurance, banking and airlines.

According to experts, consumers are more likely to buy a product whose advertisement they see in a shop because they are already in a "buying frame of mind". "Communication by a brand, at the point of sale, makes the consumer notice it at a time when he or she is just about to make a purchase decision," says Hemant Mallik, head of marketing, foods division, ITC Ltd, which makes Bingo! chips and Sunfeast biscuits. Another crucial advantage is that consumers have a convenient touch-and-feel opportunity for the products being advertised.



HARIKRISHNA KATRAGADDA/MINT

SANDEEP BHATNAGAR/MINT

PLAYERS IN THE RETAIL GAME

Future Media (India) Ltd
Partho Dasgupta, CEO

FOCUS: In-store television network, store-windows, publications, Future TV, kiosks, drop-downs, advertising space on facades and activation at all Pantaloons India Pvt. Ltd properties.

Out-of-Home Media (India) Pvt. Ltd
Ishan Raina, CEO

FOCUS: Out-of-home television screen network in commercial buildings, retail stores, salons, cafes, etc.

vJive Networks
Rajesh Jog, CEO

FOCUS: Out-of-home television screen network.

TAG Media Network Pvt. Ltd
P.R. Sathesh, COO

FOCUS: Out-of-home television screen network at retail chains such as Spencers, Trinetra, Fab Malls and Food World.

Percept Retail
Prashant Guntey, business head

FOCUS: Involved in providing marketing solutions to brands as well as retailers.

Dialect (Group M)
Deepak Jayaram, director

FOCUS: Advise clients on planning and buying in-store advertising.

MASH (Madison Group)
Anand Narasimha, CEO

FOCUS: Providing shopper-marketing solutions.

Lintas IMG Pvt. Ltd
Vivek Lakhwada, president, Aaron Initiative

FOCUS: In-store and in-mall advertising.

Ogilvy & Mather Pvt. Ltd*
Anurag Gupta, country head, Ogilvy Action

FOCUS: Involved in advising and activation of in-store advertising.

*Retail division to be launched soon



ANIMATED RETURNS

The success of 'Hanuman' has ensured Indian animation production houses move from being back-end workshops to equal partners. >Page C2



A CRUNCH SITUATION

As managing human resources becomes more critical to companies, India faces an acute shortage of trained executives. > Page C5



SERVING A NEW GAME

In an unusual partnership between a retailer and its supplier, Foot Locker and Nike will launch shoe stores. >Page C4

HOW WAL-MART DOES IT

Wal-Mart TV is pretty much the king of all in-store networks. It has more than 1,25,000 television screens in about 3,100 of Wal-Mart's US stores and a potential audience of more than 127 million shoppers in a week. There are other major players in the market, such as Tesco. However, Wal-Mart TV, which shows news, weather and entertainment interspersed with paid advertising, is one of the largest and the most sophisticated.

The network has eight channels, ranging from health and beauty, style, electronics, fresh food, entertainment and grocery to news. This allows advertisers to reach their target audience in an environment of consumption. Wal-Mart TV's appeal stems from the fact that it not only reaches an audience as large as that of broadcast TV, but also those who are in the frame of mind to buy. When Wal-Mart TV was launched in 1997, programming was on a unified loop, and all shoppers in a store saw the same video. Now, the content for each individual screen can be fine-tuned. Wal-Mart even has plans to charge premium rates for TVs at the ends of aisles and at check-outs.