
CityMall: Promoting Patronage Among Locals

It was 8:30 in the morning of another busy day in September 2016. Events and different type of promotions were scheduled for the day, and this was Edzel Ned Nohay's typical day in the office. He was the marketing assistant of a relatively new mall in Zamboanga City. As he sat in his office, thinking and looking into the scheduled tasks for the day, he could not stop thinking what else he could do to fend off the very real challenge facing him and the mall itself: the decrease in customers coming to the mall.

The mall had had a very promising start, with many consumers drawn to it. Being a newly established mall, people were intrigued and somewhat curious about what it could provide. But, like any other businesses, there were always ups and downs. Currently, and unlike the opening a few months ago, there was a dwindling number of consumers going to the mall. Edzel attributed the decline to increased competition from large malls that could cater to all consumers' needs in one visit. He was determined that his mall gain enough of a foothold in the market without losing its identity as a community mall.¹

CityMall's Background

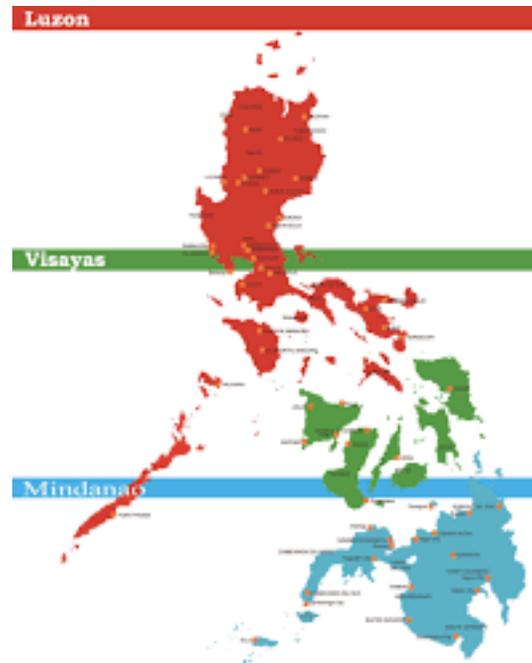
DoubleDragon

Initially known as Injap Land Corp., DoubleDragon properties was established in 2009 as a real estate company engaged in various projects like real estate, condominiums, and malls. CityMall was one of DoubleDragon's subsidiaries.²

CityMall

CityMall ownership was 66% owned by DoubleDragon and 34% owned by SM investments, which was the owner and operator of the biggest mall chain in the Philippines. The owners envisioned CityMall to be the largest branded independent community mall chain in the Philippines. True to their words, CityMall had 20 operating branches and would soon be operating establishments covering the three main islands of the Philippines, from Luzon all the way to Visayas and Mindanao.³ (See Figure 1).

Figure 1
Map of the Three Main Islands of the Philippines



Source: "Philippine Map." Accessed on November 28, 2016 <http://mycondoph.com/mabuhay/the-philippines/>

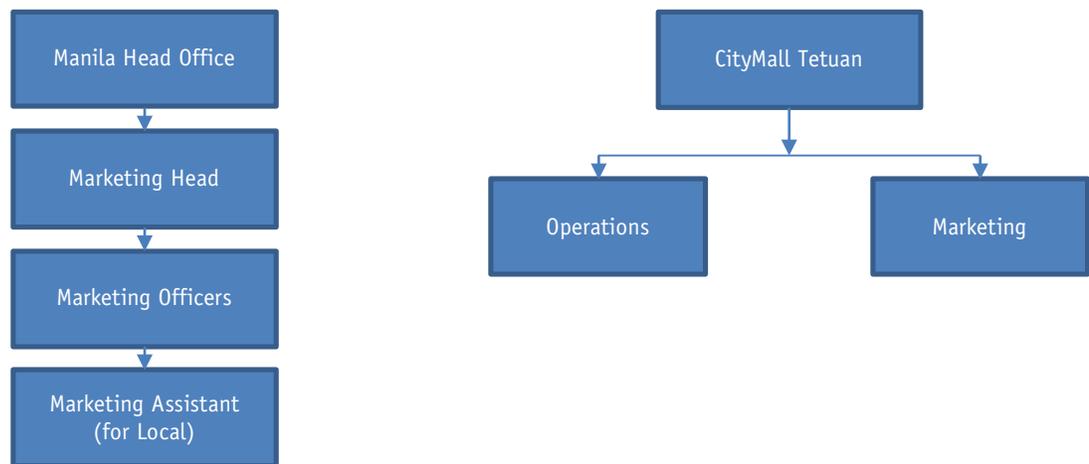
CityMall Tetuan

The mall had been in operation for a year, and like any other CityMalls in the country, it had a food court concept and fast food brands such as Jollibee, Mang Inasal, Chowking, Greenwich, Red Ribbon and Highlands Coffee as staples of the mall.⁴ Competitors of these brands were prohibited from establishing at the mall. The CityMall Tetuan branch had an estimated 40 tenants, many of which had been tenants since the mall's beginning. The current tenants, together with the staples, comprised food, appliances and retail. Edzel estimated that 3,000-4,000 individuals visited the mall during the weekdays and could reach or exceed 5000+ consumers on a weekend. The CityMall goers experienced the comfortable and family atmosphere of the mall. The mall targeted consumers who were locals of the area and neighboring communities. Feedback from consumers stated that the mall lacked a sufficient mix of tenants, with consumers preferring other brands that were not available in the mall. Edzel saw this as one of the reasons why consumers went to the competition rather than going to CityMall.

With the feedback on hand, Edzel was looking at two reasons why the mall could not accommodate any more new tenants: first, because CityMall was a community mall and second because the space was

very limited. In spite of these challenges, the Mall wanted to gain a foothold of the market, to have a small percentage of consumers who would be loyal to the Mall.

Figure 2
Organizational Structure



Source: Interview with Edzel Ned Nohay, August 13, 2016

Edzel had been busy since the day he started working for the mall. As the local marketing assistant, he was in charge of the branding of the company, events, advertising, and promotions. There were two functional divisions of a local CityMall in each city: marketing and the operations. Operations was charged with the property management, security, engineering, utility and maintenance. For marketing, all of the instructions for marketing efforts came from the head office, with local marketing assistants like Edzel being the ones to execute the plans at their assigned malls. Issues might arise about the different marketing strategies, with some of the strategies not really fitting local implementation. This challenged Edzel to do his best on the different marketing strategies that were handed to him for implementation. Edzel could not just do away with the strategies and make his own. He had to inform the management on what he thought could be tweaked for local implementation. Management then evaluated if the proposed new strategy was applicable for local implementation. Edzel did not see this uniformity as a problem, because although all strategies were for all Local CityMall branches, he could make little adjustments, such as what approach to use when facing different consumer behavior, preference and culture in Zamboanga City.

Edzel had also been doing timely communication with higher management in Manila. This strategy helped to improve the implementation of the different strategies; if any issues arose, he communicated. Edzel believed that he was the eyes and ears of the organization, knowing the trends and consumer behavior locally. But one weakness that the local CityMall had was limited manpower on the marketing side of things, namely for promotions, events and for advertising. Edsel felt that at some point someone with special skills would have to be hired to do it. Edzel was not fazed by this challenge or any other challenge; management had been positive, generous and one key strength was the marketing budget. Edzel has an estimated budget of Php 200,000 (USD 4,023)ⁱ depending on the type of activity and event.

ⁱ The Forex rate of 1 USD =49.65PHP as of November 28, 2016 has been used in this and all subsequent USD/PHP conversions <http://www.xe.com/currencyconverter/convert/?From=USD&To=PHP>

The Competition in Zamboanga City

The local Zamboanga City industry was made up mainly of retailers owning a building and selling a variety of items there, more like a department store. Most of these department stores attached “mall” to their name, and all of them were a far cry from what a defined “mall” was, which was a usually large suburban building or group of buildings containing various shops with associated passageways. CityMall was now part of an industry that was catering only to a few market segments.⁵ Not all residents could afford to buy those products and brands that were currently available.

The newest mall in Zamboanga City, KCC, seemed to have everything and anything that locals would want. Edzel saw this breadth as one of the major reasons why consumers preferred to go to this establishment. Foot traffic in that mall was higher than CityMall’s, with peak hours during lunch time and after work hours from 5pm onward. KCC had trumped MindproCity Mall, which had in previous years dominated the mall landscape in the city due to its cinemas, small department store, food court and supermarket. The marketing strategies of KCC mall were similar with CityMall Tetuan. Aside from having occasional sales on selected items, KCC also invited artists to perform a series of shows.

Figure 3
The Competitors of CityMall Tetuan

Competition	Location
Shoppers' Mall	Climaco Ave., Zamboanga City
Shoppers' Plaza	Climaco Ave., Zamboanga City
Shoppers' Emporium	Climaco Ave., Zamboanga City
Shoppers' Square	Gov. Lim corner Climaco Avenue, Zamboanga City
Shoppers' Central	Evangelista St., Zamboanga City
Mindpro Citimall	La Purisima Street, Zamboanga City
Yubenco Star Mall	Ma. Clara Lobregat Highway, Putik, Zamboanga City
Midtown Plaza Mall	Nuñez Street Zamboanga City
Limtown Center Mall	Gov. Lim Avenue, Zamboanga City
Southway Square	P. Lorenzo Street cor. Governor Lim Avenue, Zamboanga City
Gateway Mall	Governor Lim Avenue, Zamboanga City
Yubengco Tetuan	Don Alfaro St. Tetuan, Zamboanga City
KCC Mall	

Source: “Zamboanga Peninsula Philippine Shopping Malls.” Accessed November 24, 2016
http://www.philippinecountry.com/philippine_malls/zamboanga.html

As of September 2016, KCC was the biggest mall in the city. It had approximately 140 establishments with an assortment of brands, items, food stalls and retail. Many of its establishments were found right in the downtown area. There was also future competition that could arise in the city, with two of the biggest mall chain in the country soon beginning operations there.

Figure 4
Department Store and Supermarket Competitors of CityMall Tetuan

Competition	Location
Shop-O-Rama	Gov. Lim Avenue, Zamboanga City
OK Department Store	Climaco Avenue, Zamboanga City
Citimart	Gov. Lim Ave, Zamboanga City
Lim Shi	Climaco Avenue, Zamboanga City
Best Mart	Climaco Avenue, Zamboanga City
Young Mart	Climaco Avenue, Zamboanga City

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Source: "Zamboanga Peninsula Philippine Shopping Malls." Accessed November 24, 2016
http://www.philippinecountry.com/philippine_malls/zamboanga.html

The local Zamboanga city industry was very competitive. Zamboangenos had many options on where to shop and dine. Therefore, Edsel had to figure out which strategies to implement and recommend to top management to gain a step on the competition.

Consumer Behavior of the City

Zamboanga City was one the biggest cities in the Philippines, with an estimated population of 800,000 individuals, not including the people who came from the different islands for commerce and tourism in the city.⁶ Cited as a first class city in the Philippines, it attracted many visitors who were intrigued and amazed by its beauty and culture. Residents of the city were laid back, friendly and very hospitable. Yet as consumers, Zamboangenos were hard to predict, which could have been due to the diverse cultures and personality. Often, however, Zamboangenos were curious. For example, if there was something new in the city, like a store, people flocked to that place as if there were an urge to be there. In a few months, however, the urge tended to fade away. Zamboangenos also ached for something new, something different, and something that was not yet available in the city.

Barangay Tetuan

The local community of Barangay Tetuan was 3km away from the downtown area of the city. The population of Tetuan and its neighboring and adjacent community were one of the highest in the city.

Figure 5
Population of Nearby Communities

Barangay (Community)	Total Population
Tetuan	20,082
Tugbungan	23,001
Talon-Talon	30,535

Source: Philippine Statistics Authority, "Total Population by Province, City, Municipality and Barangay: as of May 1, 2010." Accessed on November 28, 2016 <http://psa.gov.ph/sites/default/files/attachments/hsd/pressrelease/Zamboanga%20Peninsula.pdf>

The population of these communities was one of the target segments of CityMall Tetuan. Edzel, for his part, knew that his mall did not have the capability to completely overtake the bigger malls, but could he make some inroads with target consumers, encouraging them to be loyal to his mall and make them realize that "CityMall, is your Everyday Mall"?

The Current Strategy

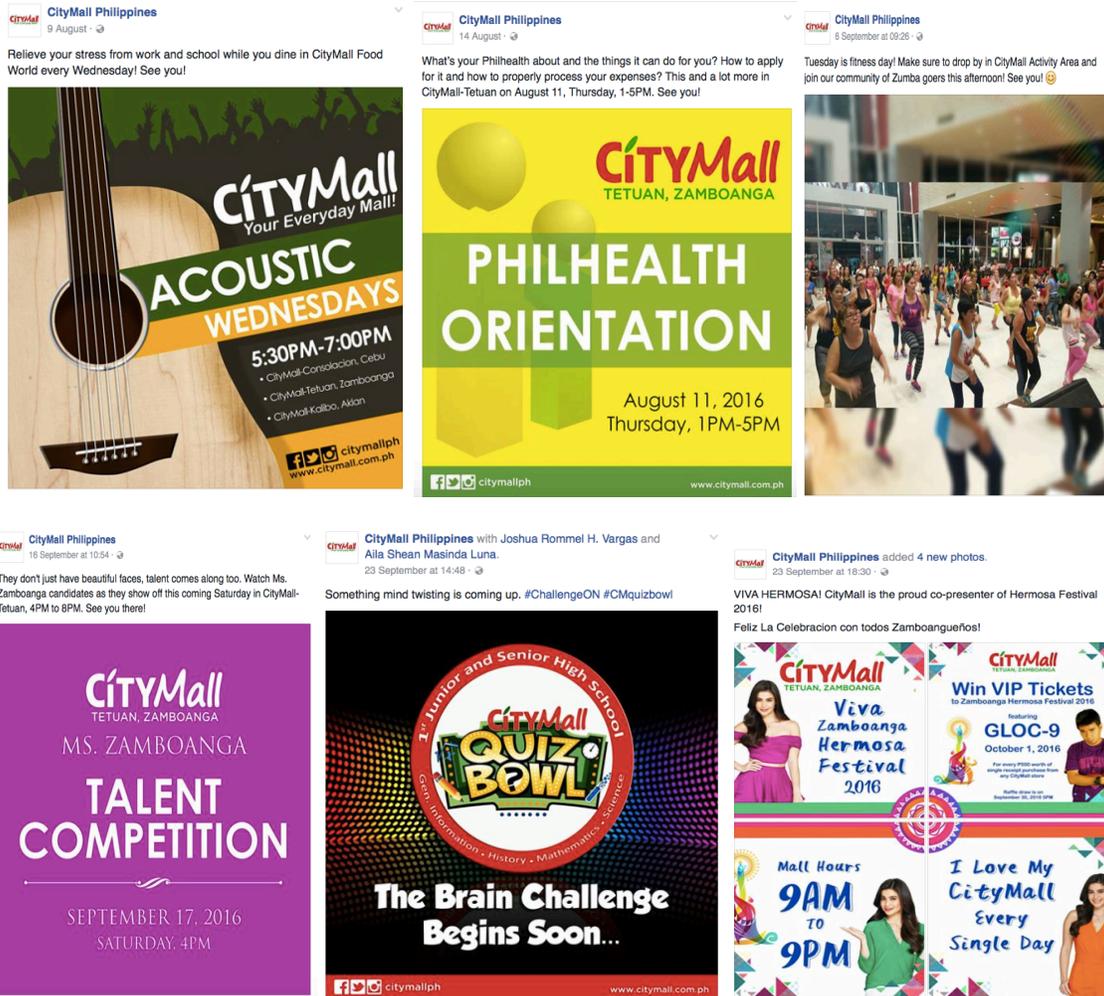
The current strategies of the mall were determined by the top management from Manila. Edzel, as the local marketing assistant, executed and implemented the plans. Most of the current strategies of CityMall Tetuan were aimed at strengthening the partnership between the community and the mall. Top management and owners of the Mall saw CityMall as an instrument for others, with strategies geared toward partnership, such as partnering with local government agencies, social and civic groups, schools and other private institutions to have their programs and activities at CityMall Tetuan. This was a win-win strategy wherein individuals from the said institutions would have a place that was comfortable, with equipment

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provided by the mall at no charge. CityMall saw this as an opportunity to be a channel to make its activities and brand known to the public.

Other marketing strategies of the mall including having health and fitness activities like Zumba, academic contests, and inviting known television personalities and performers for shows on the mall. These strategies would get potential consumers coming into the mall.

Figure 5
Current Marketing Strategies



Source: "News & Updates." Accessed on December 5, 2016 <http://citymall.com.ph/news-updates/>

The Challenge

Edzel was doing his best for the organization, executing the plans that were intended for the communities surrounding CityMall. But at the end of the day, he had seen that there was a lot of consumer traffic coming to the Mall. With no time to spare, as major competition continued to capture market share in the city and future competitors loomed to enter, Edzel wondered what else he could do to gain the loyalty of locals and to get the message across that CityMall Tetuan was really their everyday community Mall.

Endnotes

- 1 Interview Edzel Ned Nohay August 13, 2016 / and "About Us" <http://citymall.com.ph/about-us/> Accessed December 5, 2016
- 2 "About Us" <http://citymall.com.ph/about-us/> Accessed on December 5, 2016
- 3 "About Us" <http://citymall.com.ph/about-us/> Accessed on December 5, 2016
- 4 "About Us" <http://citymall.com.ph/about-us/> ph Accessed on December 5, 2016
- 5 "Mall Definition" <http://www.merriam-webster.com/dictionary/mall> September 1, 2016
- 6 Philippine Statistics Authority, "Municipality/City: Zamboanga City" <http://nap.psa.gov.ph/activestats/psgc/municipality.asp?muncode=097332000®code=09&provcode=73> Accessed on November 28, 2016