

VIDEO SIX

SM Malls (Corporate Video)

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Video Content

- SM Prime pioneered the super mall concept in the Philippines.
- In Manila, it had three supermalls: City North EDSA (424,691 square meters), SM Megamall (346,789 square meters) and SM Mall of Asia (406,961 square meters).
- The video described the vision and strategy of SM Prime in mall development and management.

Video Use

- Video 6A can be used in conjunction with the topic of retailing, particularly the types of retail location (pages 480–481 in the text).
- This video can also be used to explore mall marketing strategy.
- Video 6B can be used to examine the effectiveness of marketing communications strategy of SM Prime.

Some Possible Video Questions

Question 1

What are the various types of retail locations? Where does SM Mall fall under?

- There are three main types of retail locations, each of which has certain variations.
- The first type is the free-standing retail location. This is where a retail establishment has its own building and operation with no other significant retail establishments or operations nearby. This retail establishment has to draw customers from surrounding areas all by itself without help from others.
- The second type is the strip location. This is where there is a cluster of retail establishments and operations in an area, but the key characteristic is a lack of overall planning or strategy for the retail area. The different units may be owned by different landlords and they lease out space by looking for tenants

who are willing to pay the asking rent without consideration of the overall retail mix of the whole area. The many retail establishments together in a place may still provide synergy in pulling in traffic and customers, though as a whole, the retail mix is still unplanned. Usually, large retail establishments such as supermarkets or department stores tend to pull in the traffic and crowd (so they are considered anchor or destination stores). Other smaller stores depend on and feed off the traffic from the anchor stores, and so they are considered parasite stores. A strip location with several anchor stores is known as a power center due to its ability to draw large traffic of shoppers.

- The third type is the shopping center or shopping mall. The key feature of this type of location is the existence of an overall landlord and management to plan and execute an overall retail strategy and to ensure a consistent retail mix within the shopping center. Shopping centers can be general (consisting of all kinds of retail stores and catering for many kinds of customers) or specialized (focusing on certain products such as electronics or clothing and on certain types of customers such as women or teenagers). Shopping centers can also vary in size. Regional shopping centers tend to be larger while community shopping centers tend to be smaller. SM malls are regional shopping centers or super malls.
- Instructors can refer students to the case on Fraser Centrepoint Malls at the end of Chapter 17 (pages 489–491) to explore this topic further.

Question 2

What are the strategies of SM Prime for its super malls?

- SM Prime seeks to provide a complete mall experience. It seeks to provide diversity of activities for the whole family. The mall provides products, services, and solutions for:
 - Shopping
 - Entertainment
 - Health and wellness
 - IT
- SM Prime stresses innovation and seeks to be trendsetters in retail experiences. It was one of the first to introduce in its malls:
 - Automatic car park finder
 - IMAX theater
 - Ice skating rink

- SM Prime seeks to involve the community in its operations and it stresses corporate social responsibility in its business philosophy. The local economy appears to be thriving each time SM Prime sets up a mall in the vicinity. SM Mall seeks to help its tenants tap retail opportunities. Many of its tenants started as a single outlet and expanded into the chain retail concept with the help of SM Prime.
- SM Prime stresses service from the heart by being sensitive to the needs of its shoppers. It provides facilities to cater to the needs of special groups such as those with disabilities.
- SM Prime has expanded beyond the Philippines to Chengdu, Jinjiang, and Xiamen in China.
- The instructor can again refer students to the Case on Fraser Centrepoint Malls at the end of Chapter 17 and ask students to compare and contrast the strategies of SM Prime and Fraser Centrepoint Malls.
- Instructors can screen Video 6A and ask students to comment on the marketing communications strategy of SM Prime. The commercial uses a musical approach and features the shopping and dining aspects of the Mall.

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