IMPACT OF ENTERTAINMENT-BASED EVENTS ON THE LEVEL OF STORE VISITORS AND RETAIL SALES IN KAZAKHSTAN AND UAE

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Abstract:
Entertainment-based events are often held in malls across Kazakhstan and United Arab Emirates (UAE), but its crowd pulling power and influence on retail sales were seldom estimated or reported. This study addresses this void by comparing the impact of such event on the level of visitors and retail sales among tenants in MEGA Mall, Kazakhstan and Ibn Battuta Mall in Dubai, UAE. Data from different store categories in both countries revealed that entertainment-based events do increased the level of store visitors (during the day of the event) compared to the previous weekdays and weekend. Similarly, increased in sales were evidenced among mall’s tenants in Kazakhstan and UAE (during day of the event). Evidence also suggested that anchor tenants (hypermarkets) are more likely to see sales increased from such event in both countries. In contrast, luxury stores benefited the least from the entertainment-based event in both countries. Overall, this study suggested that the hedonic value of entertainment-based event works well for family- and children-oriented businesses. Recommendations for future are presented.

Key words: Entertainment-based events, store visitors, sales

1. Introduction

Celebrations of festivals and commemorations of national figures have been the part of life in Kazakhstan. One such celebration is International Women Day usually held on the 8th of March every year. This event is celebrated with flowers and gifts for women across the Kazakh societies or is celebrated with dance and musical shows at town hall or public squares. Increasingly, marketers in Kazakhstan tap into its crowd drawing ability to promote products or services. Likewise in UAE, cultural and children related entertainment activities are often organized in malls, either by the mall operators or being hosted by businesses to create awareness to their brand/product or services. While the contribution of mega events to the UAE economy are well
documented (Al Jeaidi & Raj 2016), the influence of entertainment-based events on retail sales and level of mall visitors in Kazakhstan and UAE are seldom studied or reported, a void addressed by this study.

2. Literature review and propositions

Events are something that happens or occurs in a particular time and place (Hoyle 2002). Such happenings include festival, ceremony, competition, party, conventions (include association meetings and seminars) and commercial trade shows or expositions. Increasingly events are gaining attention and recognitions from the hospitality industry, universities and commercial entities as a promotional tool (Fenich 2012). Events are seen as a great way to create excitement about a brand, attract potential and existing customers and as a mean for business networking. Worldwide, convention centers, exhibition and trade centers have spruced to cater for events, both for profit and non-profit purposes. The dawn of the century has also seen major brands tapping into major sport events like FIFA World, NBA, Cricket World Cup, or Super Bowl to promote their company or products. Hosting of events for the purpose of place marketing or destination marketing to attract tourists has been established concept in event tourism. Likewise, mall operators are tapping onto event marketing as promotional activities/appeal to pull crowds for their tenants/retail stores. This would often be entertainment-based promotion or special event (company sponsored) rather than mall-wide price-based promotion activities like general discounts, rebates, gift-voucher, and lotteries (Parsons 2003). The later are being more difficult to coordinate or fully supported mall-wide. Entertainment-based promotions are occasional or seasonal in nature, such as cultural festivals, exhibitions, magic shows or singing contest (Lehew & Fairhurst 2000; Fenich 2012).

From the retail perspective, consumers are looking at utility, symbolic and experiential values (Levy, Weitz & Grewal 2013). The utility value refers to the extent to which a product is useful and fulfills a customer’s desired goals/needs; while the symbolic value refers the extent to which customers attach or associate psychological meaning to a product. The experiential or hedonic value refers to the extent to which a product creates appropriate experiences, feelings, and emotions for the customer. The experiential value may include the service or personnel aspect of an organization (Lovelock & Wirtz 2011).

Besides trying to maximize the utility value/benefits, consumer nowadays are also focus on the social context of the consumptions or holistic consumption experience (Brakus, Schmitt & Zarantonello 2009). Consumers are looking for consumption that stimulate their emotions and sensations to satisfy their need (Gentile, Spiller & Noci 2007). As such, marketers are increasingly focusing on experiential marketing in this 21st century (Schmitt 2011). Indeed, past research shows that experiential values improve customer satisfaction and loyalty (Brakus et al. 2009; Lovelock & Wirtz 2011; Levy et al. 2013). Further, consumers do at times rely on
emotions rather than information to make brand decision (Babin & Harris 2014). When done right, experiential marketing can creates an emotion connection between brand and consumer, brings product and brand to life in exciting ways, and help drives sales (Smith & Hanover 2016). Impulsive shopping behaviors (unplanned decision to buy a product or service) are often associated with emotion and feelings, triggered by seeing the product or upon exposure to a well-crafted promotional message (Babin & Harris 2014).

Malls or centralized shopping concepts are idea to cater to the utility, symbolic and experiential needs or values of today’s consumers. Malls can cater to the various segments of our society: from young to old, from very specialized store (specific product type/brand specific) to the general merchandised store. The advantage of entertainment-based events in mall is its ability to provide hedonistic values to consumers in a comfortable atmosphere not subject to extreme weather. Entertainment-based event offers a chance for relaxation, enjoyment, and collective experience of social interaction with family members, friends and the public. Entertainment-based events in mall can attract public/consumers who otherwise might not visit that particular mall/place where the event was held. Events can create positive images for the mall and help the mall brand or re-position itself in the marketplace. When properly planned, the event can be experiential, targeted, and interactive (Hoyle 2002; Brakus et al. 2009). The hedonistic values of a properly planned entertainment-based event are expected to draw shoppers and restless free roaming individuals. When infused with a consistent narrative aligned to the marketing strategy of an organization, the experiential aspect of interactive entertainment-based event can be a persuasive subliminal platform to induce sales, especially among experiential shoppers whose shopping activities are being motivated by boredom or loneliness (Babin & Harris 2015). However, it should be noted that sales resulting from entertainment-based event maybe also be the results of other factors: concurrent sales promotion (discounts, rebates), brand loyalty etc. Prior research has indicated that attitude towards event or the extent to which customer senses the event is fun, pleasing, informative and interesting has an influence on attendee’s purchase intention (Tomalieh 2016). The antecedent state of consumer such as mood would have positive effect on consumer decision-making (Solomon 2013). It is touted that consumer in good moods tend to make decision faster, felt more satisfy and outspend than those with bad mood (Babin & Harris 2015). The hedonic mood generated by entertainment-based event would spurs consumers to make planned (provided others expectations are met) and unplanned purchases/impulse purchase. Thus, this study proposes:

**P1: Entertainment-based event in mall can draw visitors to mall’s tenants/stores.**

**P2: Entertainment-based event have an impact on sales among mall tenants/stores.**
3. Methodology

The target samplings are retail tenants of MEGA Malls in Almaty, Kazakhstan, and Ibn Battuta Mall in Dubai, UAE. One criterion for store sampling is that there should be no concurrent sales promotion during the event day, which might skew sales and visitor traffics. The sampling should also correspond to the following retail category: anchor tenant (hypermarket), franchise store (computer & electronics), luxury store (watch), shoes store, sport shop and clothes for kid’s store. After meeting this requirement, the particular stores/managers were approached to participate in the study. Overall, twelve stores (six stores in each mall) meeting the sampling criteria agreed to participate in the study.

Of specific focus were the musical and dance entertainment event conducted in conjunction with the International Women Day (8th March 2016) at the MEGA Mall in Kazakhstan; and the Cultural Musical held (7th February 2016) at the Ibn Battuta Mall in Dubai, UAE. The respective mall operators had advertised pre-event announcements of the event, both internally (mall-wide) and externally (newspaper, national TV channel). Retail traffic counter sensors were placed at the entrance of the selected stores (for those without traffic counting system) to count on the number of store visitors one week (7 days) before the event, and during the day of the event. During the day of the events, consumers who had purchased are randomly interviewed about whether their purchase are planned or pre-planned before going to the event/mall. Thirty consumers in each country were interviewed about their purchases. One week after the event, the six retail store’s managers in both malls were interviewed about whether the entertainment-based event has increased their retail sales and on the recorded visitor numbers. The collected store visitor numbers and sales figures using Microsoft Excel.

Analysis Results

Table 1: Analysis on the number of store visitors during the day of the event compared to the weekdays and weekends of the previous week (Kazakhstan sample)

<table>
<thead>
<tr>
<th>Tenant types</th>
<th>a) No. of visitors - *Weekdays (daily average)</th>
<th>b) No. of visitors - *Weekend (daily average)</th>
<th>c) No. of visitors - Day of event</th>
<th>% different (c-a)/a</th>
<th>% different (c-b)/b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchor tenant</td>
<td>7912 (1582.4)</td>
<td>3670 (1835)</td>
<td>2799</td>
<td>76.90%</td>
<td>52.50%</td>
</tr>
<tr>
<td>Franchise</td>
<td>2961 (592.2)</td>
<td>1440 (720)</td>
<td>1006</td>
<td>69.70%</td>
<td>39.70%</td>
</tr>
<tr>
<td>Luxury</td>
<td>220 (44)</td>
<td>112 (56)</td>
<td>66</td>
<td>50.00%</td>
<td>17.85%</td>
</tr>
<tr>
<td>Shoes</td>
<td>525 (105)</td>
<td>264 (132)</td>
<td>179</td>
<td>70.48%</td>
<td>35.69%</td>
</tr>
<tr>
<td>Sport shop</td>
<td>493 (98.6)</td>
<td>250 (125)</td>
<td>168</td>
<td>70.38%</td>
<td>34.40%</td>
</tr>
<tr>
<td>Clothes for kids</td>
<td>389 (77.8)</td>
<td>196 (98)</td>
<td>132</td>
<td>69.66%</td>
<td>34.69%</td>
</tr>
</tbody>
</table>

* Weekdays refer to Monday to Friday while weekend refers to Saturday to Sunday
Table 2: Analysis on the number of store visitors during the day of the event compared to the weekdays and weekends of the previous week (UAE sample)

<table>
<thead>
<tr>
<th>Tenant types</th>
<th>a) No. of visitors - *Weekdays (daily average)</th>
<th>b) No. of visitors - *Weekend (daily average)</th>
<th>c) No. of visitors - Day of event</th>
<th>% different (c-a)/a</th>
<th>% different (c-b)/b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchor tenant</td>
<td>9650 (1930)</td>
<td>5150 (2575)</td>
<td>3830</td>
<td>98.45%</td>
<td>48.85%</td>
</tr>
<tr>
<td>Franchise</td>
<td>2713 (542.6)</td>
<td>1240 (620)</td>
<td>804</td>
<td>48.17%</td>
<td>29.68%</td>
</tr>
<tr>
<td>Luxury</td>
<td>410 (82)</td>
<td>188 (94)</td>
<td>102</td>
<td>24.39%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Shoes</td>
<td>1653 (330.6)</td>
<td>850 (425)</td>
<td>546</td>
<td>65.15%</td>
<td>28.47%</td>
</tr>
<tr>
<td>Sport shop</td>
<td>1590 (318)</td>
<td>699 (349.5)</td>
<td>480</td>
<td>50.09%</td>
<td>37.39%</td>
</tr>
<tr>
<td>Clothes for kids</td>
<td>1870 (374)</td>
<td>866 (433)</td>
<td>621</td>
<td>66.04%</td>
<td>43.42%</td>
</tr>
</tbody>
</table>

* Weekdays refer to Sunday to Thursday while weekend refers to Friday to Saturday

Findings and discussions

As for the Kazakhstan sample: about 30% of interviewed consumers indicated that their purchases are unplanned or possibly impulse purchased. Another 45% consumers indicated that they have purchase intention before going/entering to the mall. The rest (25%) are not sure. Regarding the UAE sample, 27% of interviewed consumers indicated unplanned purchases, 50% planned purchases while the rest unsure.

All tenants in the sampled mall in Kazakhstan are having an increased in the number of visitors during the event day compared to their previous weekdays and weekend (Table 1). However, the anchor tenant (hypermarket) registered the most increased in visitors: 76.9% compared to previous weekday and 52.5% compared to
previous weekend. In addition, luxury store registered the least increased in visitors during the event day compared to the previous weekday (50%) and weekend (17.85%). Franchise store, shoe store, sport shop and clothes for kids store registered around the 70% percentile increased of visitors on the event day compared to the previous week daily average; and around the 35% percentile compared to the previous weekend.

![Figure 2: Comparative increased of sales (number of merchandise sold) during the day of event compared to the average sales of the previous weekday and weekend (UAE sample)](image)

Similarly, Table 2 showed that there are more visitors to the sampled stores in the UAE on the event day compared to previous weekday and weekend. The anchor tenant (hypermarket) registered the most increased in visitors during the event day compared to the previous weekday (98.45% increased) and weekend (48.85% increased). As in Kazakhstan, the luxury store also registered the least increased in visitors among the sampled stores in UAE when compared to the previous weekday (24.39%) and weekend (8.5%). Thus, evidence from Table 1 and 2 supported proposition $P1$: Entertainment-based event in mall can draw visitors to mall’s tenants/stores.

Figure 1 revealed that with exception of luxury store and sport shop, all sampled stores in Kazakhstan registered significant sales increased (number of merchandise unit sold) during the day of the event compared to previous weekday and weekend day. In particular, anchor tenant (hypermarkets) registered 200% more sales than the previous weekday and 100% more than the previous weekend. Clothes for kids store registered increased sale of 122.85% (weekday) and 92.68% increased compared to previous weekend. Similarly, franchise store (computer and electronics) registered 100% increased in sales compared to previous weekday and 65% increased sale compared to previous weekend. In contrast, luxury store registered the least
increased in sales compared to the previous weekday (33.33%) and weekend (14.28%). This implied that luxury store benefited least (in term of sales) from the held event than other tenants in the sampled mall in Kazakhstan.

Figure 2 also revealed that all sampled stores in UAE (except luxury store) exhibited significant increased in sales on the event day compared to the previous weekday and weekend. Again the anchor tenant (hypermarket) registered the highest increased in sales (161%) during the event compared to the weekday. The sampled luxury store in UAE only registered modest increased in sales during the event when compared to previous weekday (30%) and not much different from weekend. Thus, proposition P2: Entertainment-based event have an impact on sales among mall tenants/stores are partially supported.

The above observations suggested that the entertainment-based event attractions do attract crowd in both countries serving both utilitarian and hedonistic values to visitors. Hypermarkets generally carried products needed by all segments of the societies, thus registering greater increased in sales during the event sales. In contrast, other stores sampled are less product-variants or more product-specific. This may results in lesser sales increased differentiation between event day and non-event days. Further, it could be buyers of luxury products are more in tune to symbolic value than hedonistic values, and thus, not motivated by the crowd pulling power of the entertainment-based event. This possibly explained the low comparative increased in store visits and sales (compared to non-event days) exhibited by luxury stores in this study. The above observation also suggests that hosting of entertainment-based event works well for family- and children-oriented businesses.

**Limitation of study**
Due to confidentiality of retail sales information, many stores approached by this study refused to participate. As such, only twelve stores meeting the sampling criteria are available for study. This limited number of stores sampled could affect the results of study. Therefore, the results of this study need to be tested with larger samples and additional events to arrive to more robust conclusion.

**4. Conclusions**

This study suggested that the entertainment-based event do increased the number of store visitors (compared to either previous weekday or weekend) in both sampled countries (Kazakhstan and UAE). Thus, proposition 1 of this study are fully supported. Sales wise (in term of number of merchandise unit sold), the anchor tenant (hypermarkets) benefited the most while luxury stores do not benefits much from the entertainment-based event in both countries. Thus, proposition 2 of this study are partially supported. Future study may research whether brand specific event, celebrity/brand ambassador ‘star power’ or event-sponsor fit can help increase sales for luxury store in UAE and Kazakhstan.
5. Reference


Babin, B. J. & Harris, E. G. (2014), Consumer Behavior (6th Ed), South-Western: TN.


