



Universitat
de les Illes Balears

BACHELOR'S THESIS

MARKETING PLAN OF A SHOPPING AND CULTURAL ASIAN CENTER IN MALLORCA

Ana Maria Pons Sancho

Degree in Tourism

Faculty of Tourism

Academic Year 2021-22

MARKETING PLAN OF A SHOPPING AND CULTURAL ASIAN CENTER IN MALLORCA

Ana Maria Pons Sancho

Bachelor's Thesis

Faculty of Tourism

University of the Balearic Islands

Academic Year 2021-22

Key words:

Marketing, tourism, Asia, China, Japan, Korea...

Thesis Supervisor's Name: Antoni Serra Cantalops

The University is hereby authorized to include this project in its institutional repository for its open consultation and online dissemination, for academic and research purposes only.

Author		Supervisor	
Yes	No	Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Abstract

This thesis is a feasibility study of a marketing plan for a cultural and commercial Asian center in Mallorca. In this study, 'Asia' refers mainly to these three selected countries: China, Japan, and South Korea.

There are many approaches to marketing plans, the present document will focus in key stages of a standard plan; analysis, objectives, strategies, tactics, and controls.

Firstly, with the situational analysis of the market by analysing the micro and macro environment with the use of tools such as; COSMIC, PEST and SWOT Analysis. Then, setting the marketing objectives which will follow the SMART criteria, and will be classified by quantitative and qualitative objectives. Later, describing our target market, and converting the strategy into the marketing mix. Moreover, to ensure the implementation of the plan there will be controls established. Finally, there will be a feasibility study to know if the project would be possible and economically feasible.

During this study, knowledge acquired from the tourism degree has been applied.

Table of Contents

Abstract.....	3
1. Introduction.....	6
2. ANALYSIS: Situation Analysis and Marketing Audit.....	6
a. Executive Summary.....	6
b. Marketing Environment.....	6
i. Microenvironment.....	7
1. COSMIC.....	7
ii. Macro environment.....	10
1. PEST Analysis.....	10
2. SWOT Analysis.....	16
3. OBJECTIVES: SMART Objectives.....	19
4. STP STRATEGIES: Segmentation, Targeting and Positioning	19
5. TACTICS: Marketing Mix.....	20
a. Product.....	21
b. Price.....	24
c. Place.....	24
d. Promotion: Digital Marketing.....	24
6. CONTROLS: Marketing Controls.....	26
a. Implementation Plan.....	26
b. Monitoring and Control.....	27
7. FEASIBILITY STUDY.....	28
a. Economic and Financial Feasibility.....	28
8. Conclusion.....	29
List of References.....	30

List of Figures

Figure 1. Prototype of the Centre: Underground Floor.....22
Figure 2. Prototype of the Centre: Ground Floor.....23
Figure 3. Prototype of the Centre: Upper Floor.....23
Figure 4. Logo.....25
Figure 5. Instagram Account.....26
Figure 6. Promotional Bag.....26
Figure 7. Implementation Plan..... 27

List of Graphs

Graph 1. Asian Population in the Balearic Islands.....13
Graph 2. Asian Population in Mallorca.....14
Graph 3. Residents in Mallorca divided by Gender.....15

List of Tables

Table 1. Asian Residents in Mallorca divided by Gender15
Table 2. SWOT: Internal Analysis16
Table 3. SWOT: External Analysis17
Table 4. Financial Plan: Start Up Expenditure.....30

1. Introduction

The future of Tourism is Asia, it is a market that grows economically and socially every single day. The rising global interest in Asia and the increasing Asian residents in Mallorca, are two known facts that arises the need for an establishment that covers those interests. Asian people is a population that wants to discover new places and regions, but still misses home. The Balearic Islands have to be able to adapt to this new touristic segment to feel a little piece of their home. What better way to start understanding the future of tourism, than by creating an Asian cultural and commercial center in the pearl of the Mediterranean Sea, which is Mallorca.

2. ANALYSIS: Situation Analysis and Marketing Audit

A marketing audit should be performed at the start of the marketing plan. It examines the economic and business landscape from both an internal and external perspective (Vaña, 2012).

a. Executive Summary

Firstly, the Mediterranean Asia – Shopping & Cultural Centre is designed primarily for the sale of Asian products and the enjoyment of a unique experience with its cultural elements. It is a multipurpose establishment which combines the offer of restaurants and shops, with the display of Asian culture in its architectural design, and also with its events and conferences. The target market is tourists, the population interested in Asia, and Asian residents living in Mallorca. This cultural and commercial Asian centre will be a tourist attraction and also a place for Asian residents to find themselves at home. Our main risks are the urban Majorcan legislation barriers of constructing the centre and the unknown tourist demand due to the changes in COVID-19 restrictions.

b. Marketing Environment

The marketing environment refers to a collection of factors and forces that are beyond the company's immediate control and influence the company's ability to maintain or establish successful client relationships (Dimitrescu, 2018).

To develop the marketing strategy, first there is a need to identify these factors and forces by analysing two kinds of components; The microenvironment and the macro environment of the potential centre.

The microenvironment is considered part of the actors close to the firm that impact its potential to serve its consumers. Whereas, the macro environment consists of the bigger societal actors that affect the microenvironment (Kim, 2019).

i. Micro-environment

Researching the microenvironment of a business is crucial to study the relationship of the company with elements such as; the competitors, the suppliers, the market, the intermediaries and the customers. In the COSMIC study, I will explain how the actors of the environment affect the situation of the business and the changes in its structure.

1. COSMIC

Competitors

Companies' business competitiveness is strongly intertwined with the competitiveness of their products and services, both of which are affected by "price" and "non-price" factors (Gál, 2010). The ability to blend the mix of products and services with leisure and entertainment activities in a harmonic manner appears to be the key to a shopping centre's competitiveness (Sousa, 2019).

Then, due to the increase in diversity and interest in Asian culture, even though Mallorca is an Island where there are already locations which offer Asian foods, like multinational supermarket chains, Asian supermarkets and restaurants; There is not an area where commercialization of Asian products and services are combined.

In addition, there are no direct competitors for the Asian Centre in Mallorca, but there is still indirect competition I should take into account. Firstly, there are many shopping centres in Mallorca which already have loyal customers. E.g., Porto Pi, Fan Mallorca Shopping, Outlet Centre Festival Park, etc. Also, there is the potential opening of a new shopping centre in Mallorca named Palma Springs. And, as mentioned before, there is a high quantity of Asian restaurants.

Finally, regarding the competitive environment, commercial centres vary in their perception. This has been researched in a study done by Frassetto et al. (2002). This centre identifies as being an initiator, the second group, because as mentioned in the paragraph above, actual direct competitors are not yet strong for us, but potential competition of indirect competitors and potential new competition is a concern and a risk.

Organization Itself

A shopping centre is a collection of retail as well as other commercial entities that have been planned and developed like a single entity with a single administration. Commercial and social functions are the most basic functions of shopping complexes (Delic, 2014). The different types of shopping centres are neighbourhood, intermediate/ district or sub-regional, regional, super-regional,

hypermarket galleries, specialty centres, factory outlets, big-box/ power or retail parks (Lewis, 2014).

The Mediterranean Asia is considered a specialty centre because it focuses on a specific market segment, which will be analysed in section 4. The departments needed in shopping centres are not the same as any other company or organization. Shopping Centre Management is needed to explain the organizational structure of a mall. In Europe, there is a division into two main areas: Asset management and property management.

The departments can be divided by using the property management and asset management roles (Lewis, 2014):

1. Operations (Property Management). The purpose of this department is to control the maintenance, security, cleaning, service contracts, staffing, physical plant, health and safety, outgoings, environmental sustainability, and total facility management.
2. Marketing (Property Management). The tasks that have to be taken care of are the marketing plan, objectives and budget. Also, incomes from marketing activities like sponsorships.
3. Administration (Property and Asset Management). This department is in charge of accounting, debt management, insurances, reporting, compliance and human resources.
4. Executive and Other Disciplines (Property and Asset Management). This unit has to conduct the business plan, and is in charge of all government relations, crisis management, and legal matters.

Other relevant figures and aspects in shopping malls are the stakeholders, the development management, and the agents and consultants.

Finally, it is worth noting that there are different ownership models: Stock exchange and non-stock exchange listed companies, individual companies, Real Estate Investment Trusts (REIT), joint ventures, fund managers, financial institutions, administration and distressed properties. The most used model in Spain is Real Investment Trusts (REIT) (Ruiz, 2022).

Suppliers

Retailing requires a significant focus on products and people, since it combines the core actions of purchasing items from suppliers and selling them to the final customer. It is really important to establish workable relationships with suppliers because commercial centres are dependent on the merchandise at the right time, the right price and the right quantity.

First, the centre will need food suppliers for the restaurants to purchase the Asian food ingredients needed. Then, it will also need product suppliers for clothes, music albums, cosmetic products, and many more items which will be sold at the centre. These suppliers will be contracted by each of the shops in relation to the products and services they will be offering.

Correspondingly, after doing research on some of the most used Asian suppliers in Spain, for Asian food in general is Distribuciones Servera, Thai Mas or JK Asian Foods, then more specialized suppliers are Thai Mas, Korean Foods, Miintrade and Garmiko Foods. The existence of this suppliers will make the import of Asian products uncomplicated for the establishments of the centre.

Market

In the market research, it is still notorious that Shopping centres in the Spanish retail sector are recovering after the COVID-19 Pandemic.

According to data from the Spanish Council of Shopping Centres and Parks (Asociación Española de Centros y Parques Comerciales, 2002), during the year 2021, the industry is composed of 570 commercial centres in Spain which received 1,520 million visits a year, corresponding to 40,339 million euros on sales. This KPI is relevant, because it shows that the Shopping Centre Industry collected more than 11,454 million euros to the Spanish GDP. And which integrated more than 33,400 sellers, and created 794,000 jobs, being 54% indirect and 46% direct jobs.

Intermediaries

When customers purchase a product from someone that is not the manufacturer, they are interacting with a retailer. So, the shopping mall itself works as an intermediary between the company that makes the product and the customer. Retailers might buy its products straight from the manufacturer or through another intermediary.

Consumers

Customers are the most significant players in the microenvironment of a business. Because, the goal of a shopping mall is to draw customers' attention to product or service offerings while also providing easy access to a diverse variety of brands in a safe, enjoyable, and leisurely environment (Latif, 2014).

To understand the customer, it is needed to follow the STP strategies (segmentation, targeting and positioning). In section 4, there will be further market research on the potential customers of the centre.

ii. Macro-environment

1. PEST Analysis

The PEST business model is crucial to determine the key factors that underlies the planned business idea of a shopping mall in Majorca.

It is a strategic analysis tool that looks at the political and/or legal, economic, social, and technological external factors that may influence a company's start-up and growth (Watts & Dodds, 2007).

Political and Legal Factors

In a PEST analysis, the amount to which policymakers are likely to get involved in the commercial environment is a critical factor. Factors to consider include trade, taxation, legislation, labour, and environmental laws (Sammut-Bonnici, 2014).

Political Aspects

Firstly, the political connections between some Asian Countries with Mallorca and with Spain overall need to be analysed.

In terms of China, in 2019 the Chinese ambassador, Lyu Fan, had a meeting with President Francina Armengol. The diplomat announced that the islands and his country intend to increase cultural exchanges and Chinese tourism through a triangle between Barcelona, Valencia, and the Balearic Islands (Moneo, 2019).

In addition, the last politically relevant news was the intent to fight temporality. The Chinese Association of the Balearic Islands (Achinib), will collaborate with the Tourism Palma 365 Foundation to attract delegates to the city during the winter months. Fang Ji (President of Achinib) mentioned that Palma's advantages in attracting Asian tourists include a "suitable climate", "an exquisite hotel industry," and "an extraordinary connection of flights," because "the majority of routes to European cities pass through Palma, and all that is required is a transfer from Chinese airports," factors that the city considers "decisive" in convincing a Chinese tourist to visit a specific location ("Apuestan por potenciar el turismo chino de congresos en invierno", 2022).

Regarding Korea, as seen in the Chamber of Commerce Spain - Korea, the two countries have been evolving their diplomatic relations for 70 years, without any conflict between the two countries. The Spanish Chamber of Commerce, the Secretary of State Trade and the Spanish Confederation of Business Organizations (CEOE) and the Korea Chamber of Commerce and Industry

(KCCI) met in 2020 in the 21st Economic Cooperation Committee to talk about the possibility of cooperation after the pandemic. On a political level, taking use of the visits of both countries' heads of state. Strengthening the technology and infrastructure markets, among other areas, at the economic level, considering that Korea is Spain's third-largest Asian market. Increasing tourism in Korea with the assistance of the Embassy on a tourist level. On a cultural level, emphasizing projects such as the Cervantes Institute's upcoming new headquarters in Seoul, or the Prado Museum's next exhibition in the capital ("21st Economic Cooperation Committee Spain – Korea", 2020). In addition, Reyes Maroto, Minister of Industry, Trade, and Tourism, and Yangwoo Park, Minister of Culture, Sports, and Tourism of the Republic of Korea, signed the Biannual Tourism Program Action Plan 2020-2021 to increase government cooperation and promote tourism links between the two nations ("Spain and South Korea sign an action plan to strengthen tourism relations between the two countries", 2021). In the realm of official visits, bilateral relations reached a peak with the State Visit of the kings of Spain to the Republic of Korea on October 23-24, 2019 and the State Visit of President Moon to Spain on June 15-17, 2021 (OFICINA DE INFORMACIÓN DIPLOMÁTICA, 2022).

Another country who has a close and old relationship with Spain is Japan. The IV Centenary of the arrival in Spain of Japan's first official mission to a European country (Mission Keicho) was celebrated in 2014. As a result, in 2013 and 2014, the Dual year of Spain in Japan and Japan in Spain was commemorated. Both countries frequently support each other in international elections, and formal visits are becoming more common. (...) In the context of Japan's G20 presidency, President Sánchez and Prime Minister Abe met in Osaka at the end of June 2019. The meeting provided an opportunity to review the strategic alliance's application and discuss the summit's main goals. The Kings of Spain visited Japan in October 2019 to witness the enthronement of the new Emperor, Naruhito. But in the last two years, the Covid-19 has reduced the number of political and diplomatic contacts in the region (OFICINA DE INFORMACIÓN DIPLOMÁTICA, 2022).

Legal Aspects

In terms of the legal aspects, the centre has to follow the rules and regulations imposed by the Spanish Government and the Balearic Island Council. In the case of the Mediterranean Asia Centre, some policies worth mentioning are:

- Urban Planning Law of the Balearic Islands (Ley de Urbanismo de las Islas Baleares)
- Sectorial master plan for commercial facilities in Mallorca [Plan director sectorial de equipamientos comerciales de Mallorca (PECMA), Boletín Oficial de las Islas Baleares, de 09-05-2019]

These two policies dictate the urban planning restrictions and its limits depending on the area in which the new commercial complex is to be built.

With all things considered, the best location for the centre to be built in is Marratxí due to the possibility of constructing a maximum of 40,000m², the biggest compared to all the other areas apart from Palma which has the same space restriction. I have chosen this municipality as the place for the centre because there are more possibilities of vacant land than Palma.

In addition, in large commercial centres (more than 1,500m²), the complementary surface can not be over 15% of the commercial total surface area. We will need to take this into account because the complementary surface refers to cinemas, restaurants and services.

Economic Factors

The building of shopping centres is closely associated with a country's or area's economic level. Factors affecting consumer purchasing power and spending patterns make up the economic environment (Kim, 2019).

The Gross Domestic Product (GDP) per capita is the most often used measure of economic success for a national economy or a specific industry sector (Sammut-Bonnici, 2014). Balearic Islands is ranked 12th in terms of nominal GDP, with a value of 26,789 million euros in 2020. In terms of GDP per capita, which is a good measure of quality of life, the Balearic Islands had a GDP per capita of 22,048 euros in 2020, compared to 25,460 euros in Spain. It ranks 9th among the Autonomous Communities in terms of GDP per capita, indicating that its citizens enjoy a superior quality of life in comparison to the rest ("Balearic Islands 2022", 2022).

In terms of Asia, exports from Spain to Asia (excluding countries in the Middle East) accounted for 9.53% of total sales in 2020, and 6.6% from January to September 2021. In 2020, Spanish imports from Asia (excluding the Middle East) increased by 21.12%, and by 17.7% from January to September 2021 (OFICINA DE INFORMACIÓN DIPLOMÁTICA, 2022).

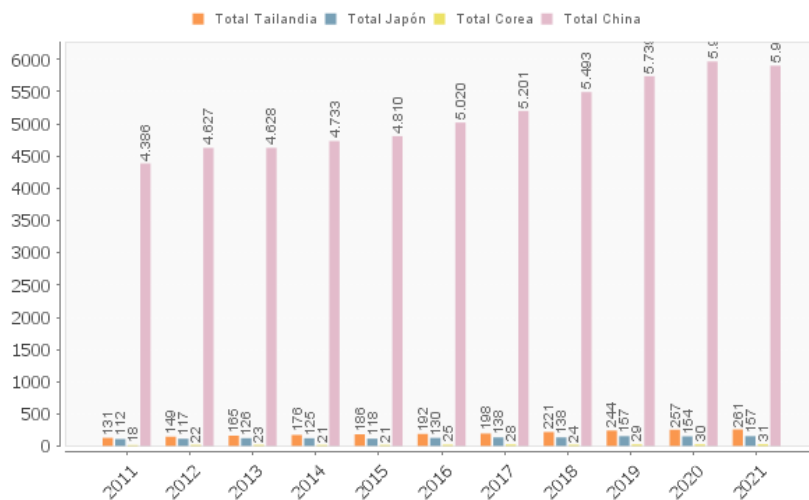
It is also worth mentioning that the most important Asian market for the Balearic Islands is China. Nowadays, the Islands have 5,500 Chinese residents, up from 400 twenty years ago. Visitors are noted for their extravagant spending, which averages 2.500 euros per person. In 2018, China's imports to Spain grew to \$27,000 million, becoming Spain the world's third-largest importer. Furthermore, exports were 6.300 million dollars, placing China in tenth place. (Moneo, 2019).

Regarding Tourism, the Diplomatic Office of Spain documents the country's relationship with other nations. From China, Japan and Korea reports of 2022, we can gather that the last relevant numbers are from the year 2019. Tourism increased dramatically in terms of Asian visitors, when Spain welcomed 699,000 Chinese tourists, 686,000 Japanese tourists and 630,000 Korean tourists. (OFICINA DE INFORMACIÓN DIPLOMÁTICA, 2022). The tourism industry has been hit hard by the COVID-19 pandemic, but it is expected to recover in the next year.

Socio-cultural Factors

Businesses should be mindful of population shifts, as the demographic structure by age, affluence, area, number of workers, and other factors can have a significant impact on overall demand as well as demand for specific products and services (Ho, 2014).

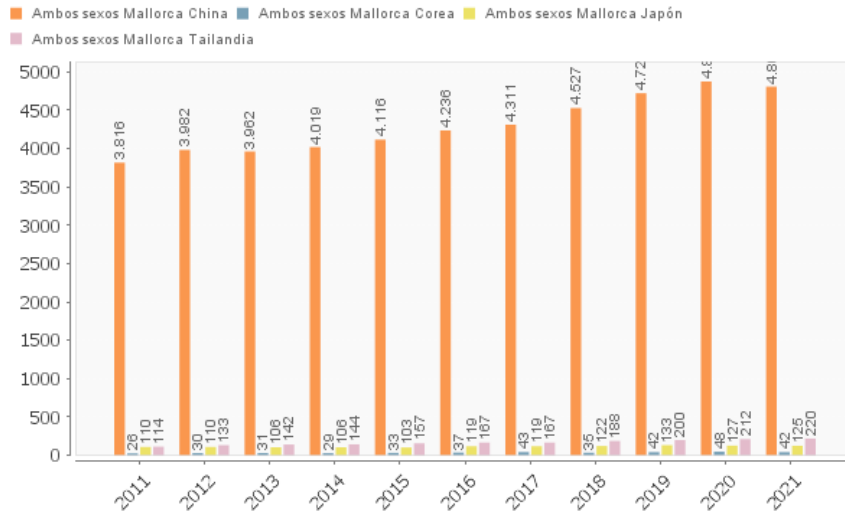
Graph 1. Asian Population in the Balearic Islands



Fuente: Institut d'Estadística de les Illes Balears (IBESTAT), España (CC BY 3.0)

Source: Institut d'Estadística de les Illes Balears (IBESTAT)

Graph 2. Asian Population in Mallorca



Fuente: Institut d'Estadística de les Illes Balears (IBESTAT). España (CC BY 3.0)

Source: Institut d'Estadística de les Illes Balears (IBESTAT)

In graph 1 and graph 2, we can see that Asian population in the Balearic Islands and specifically in Majorca has been slowly increasing over the last 10 years. The main difference can be seen in Chinese residents, which have increased more than 25%, from 3,816 to 4,807 Majorcan residents.

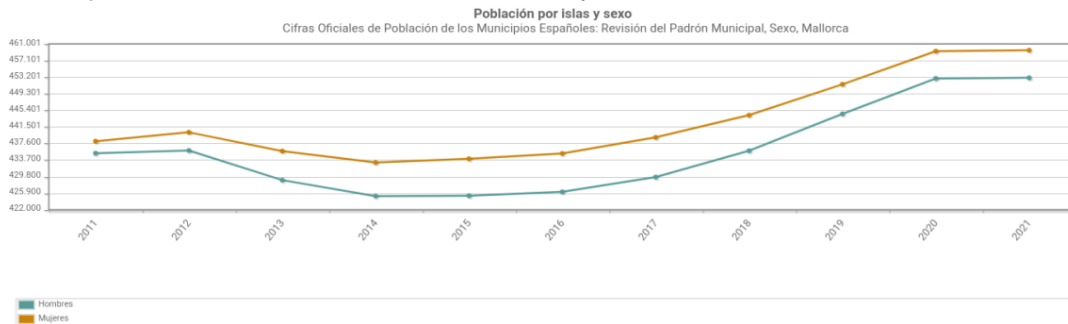
It is relevant to see the difference in gender in the population because of the existence of gender differences in consumer buying behaviour at shopping malls and restaurants.

Men perceive shopping as a task to be finished, whereas women enjoy the activity (Sohail, 2015). Female shoppers spend substantially more time and money at the mall than male shoppers (Katrodia, 2018).

It is important to mention that shopping malls with specialized play spaces for children naturally attract more female customers, whereas those with parking lots appeal to a wider range of customers (Katrodia, 2018).

And, to appeal to males, added qualities that are not only monetary but also experiential is needed in order to improve their purchasing experience (Hu and Jasper, 2004). These facts will be taken into account in section 5.a.

Graph 3. Residents in Mallorca divided by Gender



Source: Instituto Nacional de Estadística (INE)

Table 1. Asian Residents in Mallorca divided by Gender

	2021
Ambos sexos	
Mallorca	
China	4.807
Corea	42
Japón	125
Tailandia	220
Hombres	
Mallorca	
China	2.329
Corea	9
Japón	28
Tailandia	55
Mujeres	
Mallorca	
China	2.478
Corea	33
Japón	97
Tailandia	165

Source: Institut d'Estadística de les Illes Balears (IBESTAT)

With all things considered, as we can see there are a higher quantity of women residents in Mallorca than men, also we can see a big difference in gender regarding Asian residents. There are more Asian women than men, and the increase of women is larger than that of men. This will contribute greatly to the possible demand in the centre because of the fact that females spend more time and money in shopping centres, as explained before.

Technological Factors

The new wave of technological progress is fuelled by innovation, which is powered by entrepreneurs who aim to push the limits of what is currently possible. (...)

Technology can be used to gain a competitive advantage in the business world for a number of reasons. Cheaper production, increased consumer access, better branding, quality of products, and improved levels of business intelligence are just a few examples (Sammut-Bonnici, 2014).

Multi-functional retail-leisure complexes, innovative technologies, and engaging methods, such as interactivity made possible by mobile devices and social media platforms, should all be integrated into modern retail shopping centres (Pantano, 2022).

For this to be possible, we will include modern attributes to the shopping centre by implementing digital technology for consumers to find a specific shop, to receive information on deals and events, and self-checkout in some stores.

2. SWOT Analysis

The SWOT analysis and strategy development framework is a famous four-box approach (Sarsby, 2016). In this section we will use this framework to explain the strengths, weaknesses, opportunities, and threats of the centre by doing an internal and external analysis.

Table 2. SWOT: Internal Analysis

Strengths	Weaknesses
Differentiated Image	Public Transport
Cultural Offer	Niche Market
Interior Design	High Cost of Imported Goods

Source: Own work.

Firstly, we will analyse internally the aspects which the business can control.

Strengths

- **Differentiated image:** The centre has a unique selling proposition compared to already existing establishments in Mallorca, as it is further mentioned in section 5. Our value proposition is based on what makes our brand uniquely valuable to our potential customers and highlights our strengths. Being 'one-of-a-kind' in Asian products is not a powerful USP in and of itself. But in addition to that, we differentiate ourselves with what our

target market cares about, by giving them a remarkable experience that is unmatched anywhere else in the Island.

- **Cultural Offer:** The Palace Residence will showcase a wide range of historical artefacts and art pieces of many cultures and time periods of East-Asia. It will offer the curious visitant a museum-experience by promoting the tradition of Asian customs. E.g.: Historical documents, Chinese pottery, imperial porcelains, Japanese paintings, Hanbok (Korean traditional clothes), Thai statues, Oriental swords, etc.
- **Interior design:** The design of the centre is explained in Section 5.a. The aesthetics of the centre are a strength due to the power of attraction of visitants to a destination with culture, architecture, gastronomy, events, and shopping. The appealing good atmosphere will be created by the mix of oriental design style, natural elements and architectural innovation, which will turn the centre into a place of interest.

Weaknesses

- **Public Transport:** The centre will be located in Marratxi, a municipality that is 15 km from Palma Centre. It takes approximately 20 minutes by car depending on from which area of Palma you drive. The public transport available to go there are buses (T1, T2, T3) or the subway (M2), those would take 30 minutes. The main problem is not the transport available from Palma, but from other towns in Mallorca. This is a weakness due to that a large quantity of tourists are recently staying in seaside towns in the North or West of Mallorca, so it would be more complicated to reach if they do not rent a car or take a taxi.
- **Niche Market:** The focus on only Asian products and services will attract a particular smaller market, than a standard shopping mall. There are low entry barriers, the barriers to entering the market are less so, potential competitors pose a significant danger.
- **Higher cost of imported foods:** Due to being an Island location, goods imported will have a higher price since most of the wholesalers are from the mainland. This may produce resource limitations that could end up increasing the overall prices of the centre.

Table 3. SWOT: External Analysis

Opportunities	Threats
No Direct Competition	Competitors Location
Events and Conferences	Legislation
Growing Interest	Crisis

Source: Own work

Continuing with the analysis, we have to take into account some external factors.

Opportunities

- No direct competition: No direct competition can become a threat, because it can mean that new competitors will enter the market or that the market does not have sufficient potential. So, the centre needs to give special attention to existing indirect competition in order to find innovative opportunities, rise interest, and develop a lasting competitive advantage.
- Events and Conferences: The centre would like to be a place where conferences or events are held. This may allow it to become known by more people and generate awareness by gaining more exposure, as also help building our brand equity. Besides, events bring interaction with customers easier and it supports the creation of stronger relationships with potential customers.
- Growing interest: There is no doubt that the global interest in East-Asia has crazily increased in the last few years. An important thing to mention is the Korean Wave (Hallyu), a phenomenon that has brought South Korea's culture industry to international fame (Paik, 2018). Which is the growing popularity of Korean products such as K-dramas (TV Shows), K-movies, and K-pop (music), and Korean cosmetics.

On the other hand, the interest of Spanish people and population from all over the world in Japanese animation in manga or anime has been going on long before the Korean Wave. Japanese anime was exported more deeply and commonly to the European Market in the mid-1970s (...) Being France, Italy and Spain, the three major markets in Europe for anime and manga historically (Pellitteri, 2021).

Also, as said in the report 'Un nuevo impulso a las relaciones de España con China en el marco de la política de la Unión Europea', one of the most interesting sectors for Chinese investors in Spain is the food industry (Fanjul, 2020).

Threats

- Competitors location: The indirect competitor 'Mallorca Fashion Outlet' is located at the same municipality. This centre offers shopping and restaurants but it does not have Asian stores or restaurants yet. In the broad context of going to spend a day in a shopping centre, customers may opt for going to them because of their existing customer loyalty base. And, in the case that the centre expands into having Asian restaurants, this could be a major threat for our success.
- Legislation: As already mentioned in the PEST analysis, legal restrictions and legislation changes can be a threat for the opening of the centre. In addition, licenses and building permits must be approved by the government for the project to be able to exist.

- Crisis: Nowadays, after the impact that COVID-19 crisis caused to organizations, the occurrence of future external factors possibly affecting businesses in this magnitude have to be considered. This crisis affected how renters and shop or restaurant owners can be much more risk-averse than they used to.

3. OBJECTIVES: SMART Objectives

When starting a new marketing plan, the first and most critical stage is to set objectives. The goals should be as specific as attainable (Pfeil, 2005).

The marketing objectives are settled taking into account our future customers and competition. In addition, we will be following the SMART strategy by defining specific, measurable, achievable, realistic and timed objectives.

Essentially, some qualitative objectives we would like to achieve are:

1. Promote the development of a cultural and commercial Asian center to attract visitors with the purpose of representing Asian customs and traditions, and marketing Asian products and its gastronomy.
2. Build the brand image and strengthen customer relationships.

Furthermore, quantitatively we would like to:

1. Reach 5 million visitors in the first year of opening.
2. Create a strong media presence by reaching 5000 followers on Instagram in the first year of opening.

In regards to the quantitative objectives; As already stated, the center will be 40,000 m² which is smaller than Porto Pi Center with a surface volume of 58,779 m². For that reason and their 8,600,000 visitors a year, we would expect to reach at least 60% of the quantity of visitors. Also, it is important to mention that our main competitors, FAN Mallorca Shopping and Mallorca Fashion Outlet, have 15,9 thousand and 14 thousand followers respectively, but they are already settled in the market. Because of that, we would try to achieve a third of the followers by the first year, to potentially reach their Instagram follower base in the next 3 years.

4. STP STRATEGIES: Segmentation, Targeting and Positioning

Organizations may not be able to satisfy all of its consumers. It may be challenging to suit each customer's specific needs. Because no two people have the same likes, a single product rarely meets everyone's needs.

Target marketing is a strategy that many businesses use (Camilleri, 2018).

For targeting the correct segments, I divided the market into three groups which have similar interests:

- Segment A: It is made up of young and middle age women, who are primarily interested in Asian cosmetic products.
- Segment B: It consists of teenagers, who want to shop Asian products such as manga, K-pop goods, or Asian clothing.
- Segment C: It comprises families and tourists, which are looking for eating in restaurants or entertaining themselves with cultural activities.

As it can be seen in the above segments mentioned, the customers that we will be targeting have a common like, which is Asian products or services. In this case, it can be detected that each group has a more specific demand on which product or service they would be interested in.

When marketers find that there is little difference among market segments, they use undifferentiated marketing (Moutinho, 2000). Therefore, the centre will use undifferentiated marketing to target these groups. Moreover, each store or restaurant will target their segment specifically with their positioning strategy.

After confirming the segments that we are going to target, we will be specialty base positioning the mall using our unique selling proposition of Asian offering in the Island. Visitors will consider it the best way to get to know the Asian culture in the Island and enjoy their full day in the centre's installations. In comparison to our competitors, the centre will differentiate itself with the aesthetics of the stores and restaurants and its products and services offering.

5. TACTICS: Marketing Mix

Each business initiative has its own development and planning strategy, which encompasses the infrastructure, location, and organizational structure of the company (Vag, 2007). Marketing in heritage, cultural tourism, and cultural services has now become increasingly important. (...) Visitors are looking for an all-encompassing experience that includes leisure, culture, education, and social contact (De Rojas, 2008).

The centre will provide the experience factor by having all of the elements mentioned above. The stores, restaurants, palace, conference room and kids play corner of the projected business structure will be the main departments of this shopping mall.

a. Product

Shopping and cultural centre

The idea is to make a shopping centre designed primarily for the sale of Asian products, which should occupy around a third of the surface area built above ground. The building must contain the space for the sale of the different articles of the business, meaning a supermarket and various shops. In general terms, it is not a commercial building for pure sale, or in other words, strictly conventional. Thus, in each of the different sales areas, there will be waiting areas in which Asian architectural structures will be incorporated, that is, in a certain way, the commercial nature of the building combined with cultural concepts. Likewise, the building will have a conference room for conventions or events. The structure will include vertical communication systems that are necessary for both, normal use and fire safety, as well as public restrooms, a Kids Play Corner for children to have fun, and a minimal administrative area. It is necessary to provide a loading and unloading area as well as a storage facility.

Cultural elements

The main cultural element of the centre will be an Asian style palace residence, where Asian historical artefacts will be displayed. Additionally, the goal is to create a multipurpose building that can accommodate a variety of cultural and social events. This area will contain, due to its numerous modes of use, a variety of seating arrangements. The centre will also have the minimum administrative area for the management of the conference room, and the centre in general for managing rentals, concessions and maintenance of shops and restaurants. Each of these elements will have their own areas for the established functions, as well as entrances, toilets, warehouses, installation rooms, evacuation elements, etc.

Cafes and restaurants

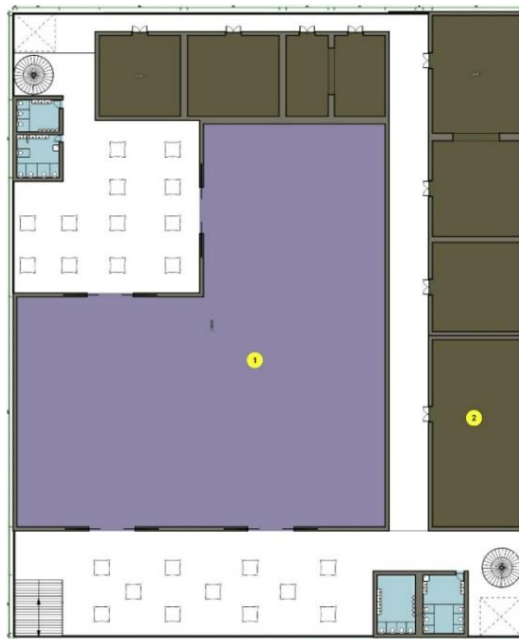
Accompanying the aforementioned uses, cafes and restaurants should be projected within the complex, with use at opening hours. Its size, therefore, will be adequate for a certain capacity for that use. The complex will feature restaurants and cafes from various nationalities; E.g., Wok Restaurant, Sushi Restaurant, Korean BBQ Restaurant, and a Thai Restaurant. Also, cafés have been an increasingly important part of Asia's foodservice industry during the last decade (Kim, 2017), so there is a need to incorporate cafes and tea-houses in the centre. They will be mainly inspired by the most popular ones in Asia, like Japanese cat and anime cafes, internet cafes, trendy luxurious aesthetic Korean cafes, bubble tea cafe, and traditional Chinese tea houses.

Elements of urban design

The design of the centre will be modern style in the outside structure, but maintaining the Mediterranean aesthetic to not disrupt the landscape of Mallorca. The inside will be composed of a mix of different architectural styles, and the general structure of the centre will have three floors, an exterior parking and an underground parking. To show the prototype of the centre, I have done a simple plan with the app `Floor Plan Creator`.

Firstly, the underground where we will find the supermarket (1), the storage rooms (2), bathrooms and waiting areas. Then, the ground floor will contain the main entrance (3) and other side entrances, stairs and elevators (4), more bathrooms (5), a bamboo garden (6), a cafeteria (7), a Japanese inspired garden (8), the administration tower (9), and the palace residence (10). In addition, it will also have a Kids Play Corner (11), electrical stairs (12), and all the stores (13). Finally, the upper floor is where the restaurants (14), also it will have a garden hall (15) where customers can take pictures with the tower behind. The second floor of the tower (16) will be where the conference room is.

Figure 1. Prototype of the Centre: Underground Floor



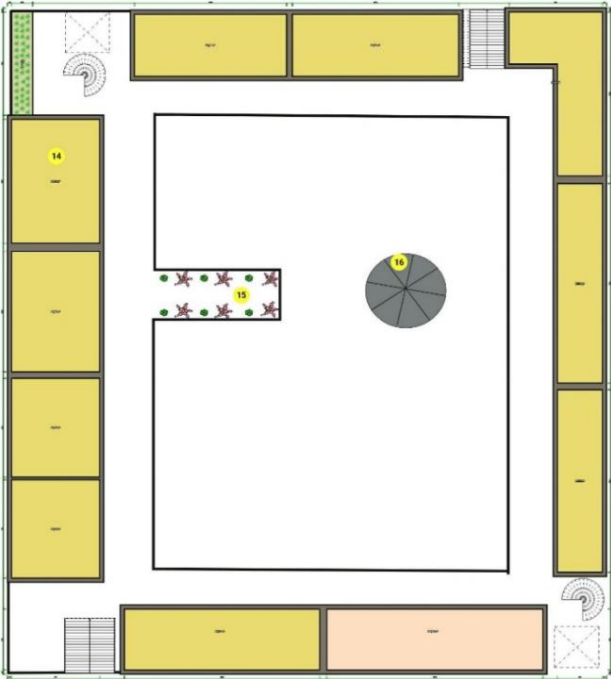
Source: Own work, prototype done in Floor Plan Creator (2022)

Figure 2. Prototype of the Centre: Ground Floor



Source: Own work, prototype done in Floor Plan Creator (2022)

Figure 3. Prototype of the Centre: Upper Floor



Source: Own work, prototype done in Floor Plan Creator (2022)

b. Price

The pricing of the goods or services that a mall intends to offer to consumers is one of the most essential parts of the 4Ps marketing strategy. An emerging business must examine the amount of pricing approaches that are likely to persuade shoppers or consumers to buy the given products or use the services provided while still considering market penetration.

Regarding stores and restaurants, the general pricing positioning is a medium price due to the value proposition of the centre. The pricing technique will depend on each store and restaurant, in view of the fact that the product offer is diverse and a specific strategy cannot be used for all the different items offered in the centre. The aim is to encourage customers to visit the centre by offering affordable and good quality Asian products and services.

c. Place

The 4Ps marketing model's place idea includes distribution channels, means of transportation, warehousing facilities, and inventory management systems.

With the arrival of e-commerce, this Pⁱ has changed over the years. Choosing to sell a product on a website over not selling a product on a website might have a significant impact on your relationship with distributors (Kareh, 2018).

The shopping centre will be adapted for the proper transportation and movements of products to the warehouse by having two parking available, provide a loading and unloading area as well as a storage facility as previously mentioned in section 5.a.

d. Promotion

Promotion directs the marketer and sales force in effectively displaying the goods to clients and encouraging them to make a purchase (Thabit & Raewf, 2018).

As mentioned before, the centre will target tourists, the population interested in Asia, and Asian residents in Majorca between the ages of 15 and 65. The benefit of the mall is offering all available Asian products and services in one place, since Asian products are mostly only available online, and Asian restaurants are becoming more popular in Spain.

The logo is portrayed below, it is based on where it is and what it offers.

Figure 4. Logo



Source: Own work, done in Canva (2022)

The slogan of the Mediterranean Asia - Shopping and Cultural Centre is “The centre for Asian Lovers” with a reassuring tonality.

The centre will be promoted first in the website with the mall hours, news and events. Then via media ads like commercials, radio spots and display advertising in airports, and billboards in the Majorcan highway. Also, with Social Media representation in Instagram by having a professional business account, and Facebook ads through a business account. Finally, for purchases of more than 30 euros in any store, customers will receive a promotional bag with the logo of the commercial centre. This bag can also be purchased for a price of 2.99€ in any of the stores, this is also to promote a sustainable shopping approach.

Figure 5. Instagram Account

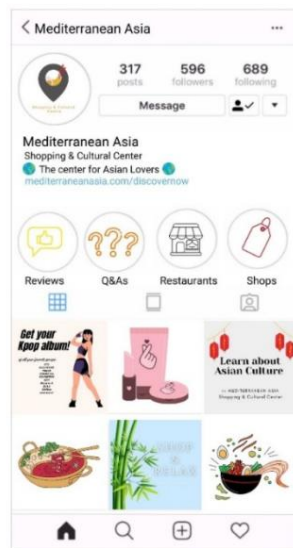


Figure 6. Promotional Bag



Sources: Own work, done in Canva (2022)

6. CONTROLS: Marketing Controls

The monitoring of a company's marketing success in terms of sales revenue earned, market share acquired, and profits generated is referred to as marketing control (Anjali, 2019).

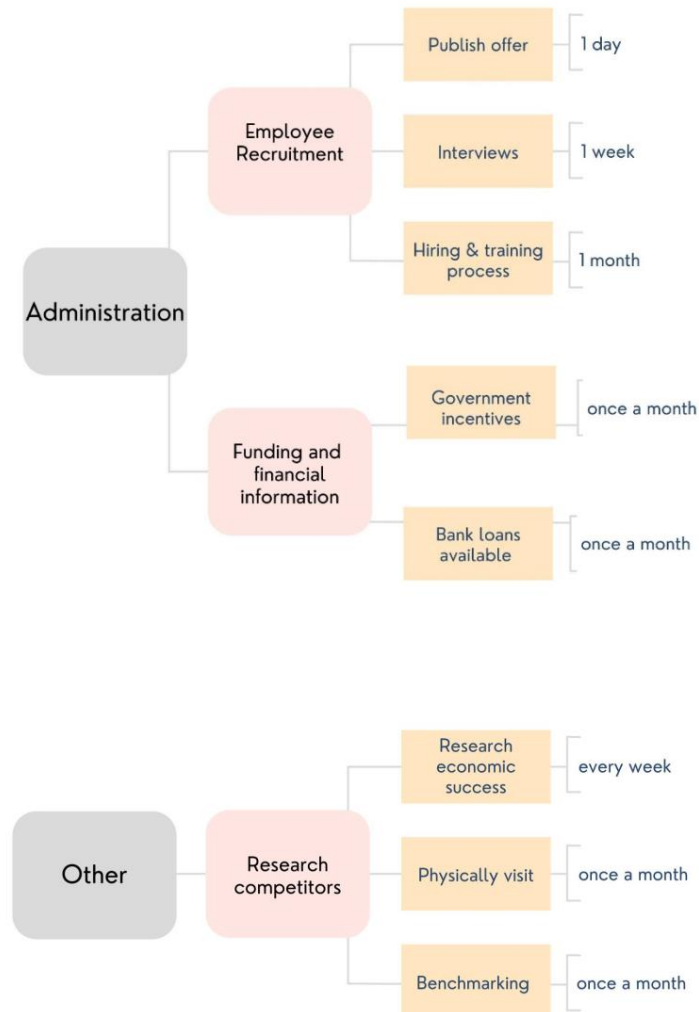
a. Implementation Plan

The action steps taken to attain a given goal in these areas are described in the implementation plan. The implementation plan also outlines the particular tasks and timelines that must be followed in order to reach our business goal (Simarmata, 2019).

In Figure 7, I made an example of how our implementation plans would look like, we would be dividing them by department, specifying with actions to take and programs to follow in a specific period of time. This type of implementation plans will help us achieve economic success and prosperity of the centre.

Figure 7. Implementation Plan





Source: Own creation using Canva (2022).

b. Monitoring and Control

In the book *Marketing Management: A Contemporary Perspective*, it explains marketing controls as:

At its core, the term 'controls' refers to the comparison of an actual status with a defined target situation. This targeted situation is usually derived from marketing and sales planning. Therefore, marketing and sales controls are closely connected to marketing and sales planning. We differentiate here between strategic and operative marketing controls. Furthermore, controls

also contribute to ensuring the realization of the plan (e.g through the initiation of corresponding activities), and thus facilitate the implementation of plans (Homburg, Kuester & Krohmer, 2022).

There are two types of controls that need to be taken into account.

Result (or output) Controls

The relation of the target results and the actual results is referred to as result controls, and they are at the centre of marketing and sales management. This sort of control can be utilized to achieve goals that are linked to potential, market success, or economic goals. Such control methods that determine the degree of achievement of targets/objectives can be applied to both ultimate and interim goals set at the end of a planning period. (Homburg, Kuester & Krohmer, 2022).

With reference to the centre, as mentioned before in section 5.b, one of the main objectives of the centre is to create a strong media presence by reaching 5,000 followers on Instagram in the first year of opening. To be able to do that, output control has to be implemented. This control will help us compare the target results (5,000 followers) with the real results.

Action Controls

Action controls match real-world processes or behaviour to predetermined goals. The emphasis of control here is on the activities and behaviours themselves (Homburg, Kuester & Krohmer, 2022).

There is a need to control how employees work and if they follow the rules of the establishment. An example of an action control would be the checking of proper cleaning and maintenance of the centre.

7. FEASIBILITY STUDY

a. Economic and Financial Feasibility

The financial plan is an important part of every business idea. Firstly, because it is crucial to know if the project is possible and economically feasible. And, also it needs to be attractive so that investors find the idea to be lucrative enough to invest on it.

First, we need to understand how a commercial centre is profitable. The income from shopping centres mainly come from the renting of shops and restaurants. As Bravo (2017) stated, profitability of the property is achieved by leasing the gross leasable area (GLA) (SBA: Superficie Bruta Alquilable) at the highest possible price. Also, via leasing of business premises, rental of common areas, and rental of promotional billboards. This is controlled by a department that takes care of the

daily management of the centre. Additionally, licensing contracts in commercial centres are more complex due to conditions being individually put by every renter, based on the duration, fixed and variable rent, community fees, etc.

Based on those facts, the market research, and the budget for starting a new business in Spain, I have been able to develop a simple financial plan for establishing a shopping centre with the key areas in which the start-up capital would be spent.

Table 4. Financial Plan: Start Up Expenditure

Fee for registering the business in Spain	100 €
Legal expenses for obtaining licenses and permits	500 - 1,000€
Cost of land property	1 million - 2 million €
Cost of building a medium size shopping center	20 million – 35 million €
Cost of business consultant	300 – 1,000 €
Costs of accounting, CRM and payroll software	2,000 €
Marketing promotion expenses	10,000 €
Phone and utility deposits	3,500 €
Operational costs for the first 3 months (salaries of employees, payments of bills)	200,000 €
Office furniture and gadgets costs	4,000 €
Cost of launching a website	500 €
Other start up expenses	1,000 €
Total	21,221,900 – 37,223,100 €

Source: Own work.

Going by the market research and feasibility study conducted, we will need about 21 to 37 million euros to successfully open a medium scale shopping mall business in Spain.

8. Conclusion

In this thesis, the feasibility study of a marketing plan for a cultural and commercial Asian center in Mallorca has been studied and its profitability within the commercial sector.

After the market study with the respective analysis of the environment, it has been possible to observe the great potential for Spain, and specifically the Balearic Islands to have this type of establishment.

The biggest threat to the project turns out to be the current crisis and the relevant legislation. In addition, the shopping center sector requires a large initial investment and a significant demand to be marketable. The results acquired after the feasibility study have been helpful in knowing the initial cost that a project of such magnitude would entail.

Therefore, this project turns out to be of great interest, due to the potential demand that the center would have and the development of greater relations with the Asian market. There is also the possibility of applying the plan on a larger scale, turning it into an Asian Town, but it should be studied more deeply.

List of References

Apuestan por potenciar el turismo chino de congresos en invierno. (2022). Retrieved 15 January 2022, from <https://www.diariodemallorca.es/palma/2022/02/15/apuestan-potenciar-turismo-chino-congresos-62718378.html>

Anjali, J. (2022). What is Marketing Control? Definition, Types, Process - The Investors Book. Retrieved 4 April 2022, from <https://theinvestorsbook.com/marketing-control.html>

ASOCIACIÓN ESPAÑOLA DE CENTROS Y PARQUES COMERCIALES. (2021). Memoria 2021. AECC. Retrieved from <http://WWW.AEDECC.COM>

Balearic Islands 2022. (2022). Retrieved 6 April 2022, from <https://countryeconomy.com/countries/spain-autonomous-communities/balearic-islands>

Bravo, R. (2017). ¿CÓMO SE GESTIONA UN CENTRO COMERCIAL? LA IMPORTANCIA DEL DASHBOARD. Retrieved 1 April 2022, from <https://www.rbasesoria-madrid.com/como-se-gestiona-un-centro-comercial-la-importancia-del-dashboard>

Camilleri, M. A. (2018). Market segmentation, targeting and positioning. In *Travel marketing, tourism economics and the airline product* (pp. 69-83). Springer, Cham.

Cooper, B., Floody, B., & McNeill, G. (2002). *Cómo iniciar y administrar un restaurante*. Editorial Norma.

De Rojas, C., & Camarero, C. (2008). Visitors' experience, mood and satisfaction in a heritage context: Evidence from an interpretation center. *Tourism management*, 29(3), 525-537.

de Sousa, I. C. A., Limab, K. M. O., Marquesc, R. P. M., Castrod, C. S., & Junqueira, L. D. M. (2019). *MARKETING STRATEGIC PLANNING: EVENT AS MARKETING STRATEGY IN A COMMERCIAL CENTER CASE STUDY*.

Decathlon reorganiza su logística en Cataluña con un nuevo centro de 40.000 m². (2022). Retrieved 14 February 2022, from <https://www.idealista.com/news/inmobiliario/locales/2016/09/06/743432->

decathlon-reorganiza-su-logistica-en-cataluna-con-un-nuevo-centro-de-40-000-m2

Delic, M., & Knezevic, B. (2014). Development of shopping centers in central and southeastern Europe. DAAAM International Scientific Book, 471-484.

Dimitrescu, A., Babis, C., Alecusan, A., Chivu, O., & Faier, A. (2018). Management of a marketing plan. *Fiability & Durability*, 1, 279-285.

Fanjul, E. (2020). Un nuevo impulso a las relaciones de España con China en el marco de la política de la Unión Europea.

Frasquet Deltoro, M., Vallet-Bellmunt, T., & Gil Saura, I. (2002). Key factors in shopping centre management: evidence from Spain.

Gál, A. N. (2010). Competitiveness of small and medium sized enterprises-a possible analytical framework. *HEJ: ECO-100115-A*, 1-14.

Garmiko Foods | Especialistas en Importación y Distribución de Productos Japoneses. (2022). Retrieved 14 January 2022, from <https://www.garmikofoods.es>

Gonzales-Chávez, M. A., & Vila-Lopez, N. (2020). Designing the best avatar to reach millennials: gender differences in a restaurant choice. *Industrial Management & Data Systems*.

Grupo Servera. (2022). Retrieved 14 January 2022, from <http://grupo.distribucionesservera.com>

Ho, J. K. K. (2014). Formulation of a systemic PEST analysis for strategic analysis. *European academic research*, 2(5), 6478-6492.

Homburg, C., Kuester, S., & Krohmer, H. (2022). *Marketing Management A Contemporary Perspective* (2nd ed., pp. 47-514).

Hu, H. and Jasper, C.R. (2004), "Men and women: a comparison of shopping mall behavior", *Journal of Shopping Center Research*, available at: webmail.jrdelisle.com.

Ju, H. (2018). The korean wave and korean dramas. In *Oxford Research Encyclopedia of Communication*.

Kareh, A. (2018). Evolution of the four Ps: Revisiting the marketing mix.

Katrodia, A., Naude, M. J., & Soni, S. (2018). Consumer buying behavior at shopping malls: Does gender matter?. *Journal of Economics and Behavioral Studies*, 10(1 (J)), 125-134.

Kim, D., & Jang, S. (Shawn). (2017). Symbolic Consumption in Upscale Cafés: Examining Korean Gen Y Consumers' Materialism, Conformity, Conspicuous Tendencies, and Functional Qualities. *Journal of Hospitality & Tourism Research*, 41(2), 154–179.
<https://doi.org/10.1177/1096348014525633>

Kim, M. J. (2019). Marketing Environment and governance mechanisms: Focusing on Manufacturer's Interfirm Benevolence. *The Journal of Industrial Distribution & Business*, 10(1), 51-58.

Latif, W. B., Islam, M. A., & Noor, I. B. M. (2014). A conceptual framework to build brand loyalty in the modern marketing environment. *Journal of asian scientific research*, 4(10), 547-557.

Lewis, D. (2014). Overview: Shopping Centre Management in Europe. ICSC European Retail Property School. 12-49.

Licencias de Apertura en Palma de Mallorca: Precio y Presupuestos ONLINE [2022] - Habitissimo. (2022). Retrieved 1 April 2022, from <https://www.habitissimo.es/presupuestos/licencias-de-apertura/illes-balears/palma-de-mallorca>

Moneo, M. (2019). Palma, Valencia y Barcelona: un "triángulo" para atraer turismo chino. Retrieved 1 April 2022, from <https://www.diariodemallorca.es/mallorca/2019/03/18/palma-valencia-barcelona-triangulo-atraer-2892349.html>

Moutinho, L. (2000). Segmentation, targeting, positioning and strategic marketing. *Strategic management in tourism*, 121-166.

OFICINA DE INFORMACIÓN DIPLOMÁTICA. (2022). FICHA PAÍS China. Dirección General de Comunicación, Diplomacia Pública y Redes. Retrieved from <http://www.exteriores.gob.es>

OFICINA DE INFORMACIÓN DIPLOMÁTICA. (2022). FICHA PAÍS Corea. Dirección General de Comunicación, Diplomacia Pública y Redes. Retrieved from <http://www.exteriores.gob.es>

OFICINA DE INFORMACIÓN DIPLOMÁTICA. (2022). FICHA PAÍS
Japón. Dirección General de Comunicación, Diplomacia Pública y Redes.
Retrieved from <http://www.exteriores.gob.es>

Paik, P. Y. (2018). The Korean Wave and the impasse of theory.
Telos, 184(Fall), 119-139.

Pantano, E., & Willems, K. (2022). Re-designing Shopping Centres. In
Retail in a New World. Emerald Publishing Limited.

Pellitteri, M. (2021). 4 Transits and receptions. Japanese Animation in
Asia: Transnational Industry, Audiences, and Success, 93.

Pfeil, A. B. (2005). Going places with youth outreach: smart marketing
strategies for your library. American Library Association.

PORTO PI - MERLIN Properties. (2022). Retrieved 5 April 2022, from
<https://www.merlinproperties.com/portfolio/porto-pi/>

reporter, M. (2019). Town hall has “nothing to negotiate” over Palma
Springs retail centre. Retrieved 1 April 2022, from
<https://www.majorcadailybulletin.com/news/local/2019/12/04/60233/town-hall-has-nothing-negotiate-over-palma-springs-retail-centre.html>

Ruiz, A. (2022). ¿De quién es el centro comercial en el que compras?.
Retrieved 11 April 2022, from
https://cincodias.elpais.com/cincodias/2016/10/12/empresas/1476292683_839135.html

Sammut-Bonnici, T., & Galea, D. (2014). PEST analysis.

Sarsby, A. (2016). SWOT analysis. Lulu. com.

Shopping Mall Business Plan [Sample Template for 2022]. (2022).
Retrieved 14 April 2022, from <https://www.profitableventure.com/shopping-mall-business-plan/>

Simarmata, P. P., Simarmata, H. M. P., & Ratnaningtyas, S. (2019).
Business Strategy and Implementation in Bina Siswa. Jurnal Ekonomi Dan
Bisnis (EK&BI), 2(1), 144-154.

Sohail, M. S. (2015). Gender differences in mall shopping: a study of shopping behavior of an emerging nation. *Journal of Marketing and Consumer Behavior in Emerging Markets*, 1(1), 36–46.

Spain and South Korea sign an action plan to strengthen tourism relations between the two countries. (2021). Retrieved 15 April 2022, from <https://www.camaracomercioespanacorea.es/en/communication/news/869-spain-and-south-korea-sign-an-action-plan-to-strengthen-tourism-relations-between-the-two-countries.html>

Thabit, T., & Raewf, M. (2018). The evaluation of marketing mix elements: A case study. *International Journal of Social Sciences & Educational Studies*, 4(4).

Tienda online | Productos Indios - Asian Groceries Barcelona. (2022). Retrieved 14 April 2022, from <https://www.jkasianfoods.com/>

Trovimap. (2022). Retrieved 2 April 2022, from <https://www.trovimap.com/precio-vivienda/illes-balears/marratxi>

Vag, A. (2007). Simulating changing consumer preferences: a dynamic conjoint model. *Journal of business research*, 60(8), 904-911.

Vaňa, K., & Černá, L. (2012). The marketing audit as a method of the evaluation of the marketing plan. *Research Papers Faculty of Materials Science and Technology Slovak University of Technology*, 20(Special-Number), 131-136.

Watts, D. J., & Dodds, P. S. (2007). Influentials, networks, and public opinion formation. *Journal of consumer research*, 34(4), 441-458.

21st Economic Cooperation Committee Spain – Korea. (2020). Retrieved 15 April 2022, from <https://www.camaracomercioespanacorea.es/en/communication/news/892-21st-economic-cooperation-committee-spain-korea.html>