Scope of Multiplexes and Managing Multiplexes
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### Abbreviations

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<th>Full Form</th>
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<tr>
<td>CAGR</td>
<td>Compounded Annual Growth Rate</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>FY</td>
<td>Financial Year</td>
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<td>PR</td>
<td>Public Relations</td>
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<td>PPT</td>
<td>Power Point Presentation</td>
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<td>OHP</td>
<td>Over Head Projector</td>
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<td>TP</td>
<td>Touch Panel</td>
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<td>FMCG</td>
<td>Fast Moving Consumer Goods</td>
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<td>MNC</td>
<td>Multinational Corporations</td>
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<td>CAD</td>
<td>Computer Aided Design</td>
</tr>
<tr>
<td>CAP</td>
<td>Computer Aided Production</td>
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<tr>
<td>ASO</td>
<td>Assistant Security Officer</td>
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<tr>
<td>CSO</td>
<td>Chief Security Officer</td>
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<td>CCTV</td>
<td>Close Circuit Tele Vision</td>
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<td>SLA</td>
<td>Service Level Agreement</td>
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<td>KPI</td>
<td>Key Performance Indicators</td>
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Chapter I
Retail Market in India

Aim
The aim of this chapter is to:

• introduce mall management in retail industry
• explain retail scenario in India
• enlist the main types of malls

Objectives
The objectives of this chapter are to:

• elucidate growth of retail in India
• explain mall space supply demand
• describe different types of mall management

Learning outcome
At the end of this chapter, you will be able to:

• understand infrastructure management
• recognise different types of malls
• identify the features of the organised retail sector
1.1 Introduction

Mall management has been identified as an important factor for the success of malls and the retail industry across the world. Till recently, mall management was restricted to facility management by a majority of developers in India, leading to differences in mall management culture. Given the high future supply of malls and increasing competitiveness within the Indian retail market, developers must correctly address these gaps to ensure success. In order to understand mall management, it is mandatory to have an overview of what malls are.

1.2 Retail Scenario in India

For the period of Financial Year 06-10, the Indian retail industry grew at a Compounded Annual Growth Rate (CAGR) of 13.3%. The growth of Indian economy fuelled by changing consumption pattern among higher portion of middle class population, greater number of working women and so on, pushed the growth of retail in India. Of all the segments, food and grocery remained highest at 58% of the total retail sales during FY10, clothing and footwear closely following it at second place by occupying 10% of the total retail pie. However, in terms of growth, the ‘entertainment, books & sports equipment’ segment outperformed other retail segments registering a CAGR of 22.5% during the period FY 06-10.

In spite of growth, retail industry in India remains fragmented with organised retailing at a nascent stage. During the economic recession since the latter half of FY09, the retailers especially in the organised sector suffered a blow in the form of declining revenues and halt in their capex plans. Further, the unemployment situation aggravated the fear of job losses during the recession, resulted in customers spending on necessities rather than on discretionary items. Thus, the industry witnessed decline in footfalls, conversion rate, which was especially apparent in the decline of same store sales. As a result, slowdown in consumer spending led to the inventory being stacked up resulting in a low inventory turnaround ration, registering a decline to 4.3 times during FY09 from 4.8 times during FY08.

Before the onset of recession, the large scale expansion plans of the Indian retailers warranted an increase in inventory and greater store operating expenses in the form of rentals and staff expenses, thus, increasing the working capital requirement. However, with the economic recession in effect, the retailers were faced with a liquidity crunch owing to difficulties in raising funds both from the equity as well as debt markets. Additionally, the funds raised during the economic boom attracted higher interest rates thereby affecting the retailers’ ability to service the interest as well as principal repayments during the downturn. The total interest outgo of the retailers as tracked by CARE Research registered a y-o-y growth of 78.6% during FY09.

Even though, post recession, the industry is witnessing a gradual turnaround, it is met by a few stumbling blocks that constitute the challenges ahead for the Indian retail industry viz. higher store rentals as compared to retailers globally, taxation & other policy regulations, inefficiencies in supply chain management and higher rate of shrinkage.

In spite of the said challenges, CARE Research expects the Indian retail industry to grow on the backdrop of expectant rise in the country’s Gross Domestic Product (GDP) during the period FY11-FY13. The rise in income level of the Indian populace, in turn, is expected to fuel the domestic consumption ultimately resulting in higher revenues for the Indian retailers. Importantly, CARE Research expects the penetration of organised retail in the total retail pie to increase by FY13 owing to the expanding reach of the retailers to tier-II & III cities accompanied by higher consumer spend on discretionary items. Also, in an attempt to increase margins, CARE Research expects the retailers would restore to adapting measures such as increasing the share of private labels in the total store sales, reducing store level operating expenses etc. The report on the Indian retail industry provides a comprehensive overview of all the above mentioned parameters with detailed forecasts.
1.3 What is Mall Management?

Globally, mall management broadly includes:

**Positioning a mall**

Positioning a mall refers to defining the category of services offered based on demographics, psychographics, income levels, competition in neighboring areas and extensive market research of the catchment. For example, if the market research indicates that the average number of households living in a particular area belongs to the upper middle class, then a high-end retail mall would suit the location.

Positioning also refers to the location of the shopping mall. A good location defined in terms of factors like ease of access via roads, good visibility, and so on is considered as one of the prime prerequisites for a mall. Although, other activities such as trade/tenant mix can be revisited or redefined, the location remains fixed, making it an imperative factor for a mall.

**Zoning – formulating the right tenant mix and its placement in a mall**

Tenant mix refers to the combination of retail shops occupying space in a mall. A right tenant mix would form an assemblage that produces optimum sales, rents, service to the community and financial status of the shopping mall venture.

Zoning refers to the division of mall space into zones for the placement of various retailers. A mall is dependent on the success of its tenants, which translates to the financial feasibility of the tenant in the mall.

**Promotions and marketing**

Promotional activities and events in a mall form an integral part of mall management. Activities like food festivals, handicraft exhibitions and celebrity visits increase foot traffic and in turn sales volumes. Organising cultural events has time and again proved vital in attracting consumers to a mall. Such activities may also act as a differentiator for a mall.

Developers can work on drafting marketing strategies for individual malls to meet the needs of the local consumer base and the challenges of local, and in some cases, regional competitors. Ansal Plaza, the first mall in Delhi, is an example of a successful mall led by good promotions and marketing mall management practices.

**Facility management**

Facility management refers to the integration of people, place, process and technology in a building. It also means optimal utilisation of resources to meet organisational needs. It broadly includes infrastructure, ambience and traffic management.

This is further divided into three types:

- **Infrastructure management**: Infrastructure management refers to the management of facilities provided to the tenants within the mall. This includes provision of adequate power supply, safety issues in case of emergency and miscellaneous issues related to signage, water supply, sanitation, and so on. These form an integral part of mall management as they are the basic amenities that any tenant would look for in a mall. Infrastructure management also includes risk management issues such as essential safety measure asset liability and environmental audits as well as emergency and evacuation training.

- **Ambience management**: The overall shopping experience provided for consumers becomes an important factor for the success of any mall. Ambience management includes management of parks, fountains and overall look of the mall. A mall is not just a place for shopping but is also a place where people spend their leisure time. In favorable, lush green landscaping with seating facilities and the presence of food and beverage inside or outside the mall can increase foot traffic.

- **Traffic management**: Traffic management includes managing foot traffic into the hall and parking facilities. Foot traffic management involves crowd management inside the operational area of a mall. The flow of people is related to the design of the mall and the spatial distribution of its tenants. For example, a star-shaped mall tends to have a problem of crowding in the centre of the mall, as everyone has to pass through the centre while...
moving from one side to the other. Circular malls, on the other hand, would not have this problem. They tend to have better pedestrian flow and less congestion. Managing parking facilities includes provision of ample parking and maneuvering of cars in the parking lot.

**Finance management**: Professional financial management of a mall as a business venture is a must. Mall management also covers financial management, which involves monitoring and controlling of various issues such as:

- cash receipts and collection of income including rentals, service charges, car park receipts, electricity and other utility income.
- developing accounting systems to track the ageing of debts, payment delay patterns, bad debts and payment of all invoices and expenses.
- developing standard financial templates so that a detailed annual property budget is prepared.
- at times, organising resources to deliver an efficient and effective annual external audit.
Summary

- Mall management has been identified as an important factor for the success of malls and the retail industry across the world.
- In spite of growth, retail industry in India remains fragmented with organised retailing at a nascent stage.
- Positioning a mall refers to defining the category of services offered based on demographics, psychographics, income levels, competition in neighboring areas and extensive market research of the catchment.
- Positioning also refers to the location of the shopping mall. A good location defined in terms of factors like ease of access via roads, good visibility, and so on is considered as one of the prime prerequisites for a mall.
- A right tenant mix would form an assemblage that produces optimum sales, rents, service to the community and financial status of the shopping mall venture.
- Promotional activities and events in a mall form an integral part of mall management. Activities like food festivals, handicraft exhibitions and celebrity visits increase foot traffic and in turn sales volumes.
- Facility management refers to the integration of people, place, process and technology in a building. It also means optimal utilisation of resources to meet organisational needs.
- Ambience management includes management of parks, fountains and overall look of the mall.
- Traffic management includes managing foot traffic into the hall and parking facilities. Foot traffic management involves crowd management inside the operational area of a mall.
- Professional financial management of a mall as a business venture is a must.
- Mall management also covers financial management, which involves monitoring and controlling of various issues such as: cash receipts and collection of income including rentals, service charges, car park receipts, electricity and other utility income.

References


Recommended Reading

Self Assessment

1. _______ is usually a large, enclosed area.
   a. Mall
   b. Shopping centre
   c. Shop
   d. Market

2. Match the following.

<table>
<thead>
<tr>
<th></th>
<th>1. Regional Mall</th>
<th>A. It is a larger mall with 4,00,000 sq. ft. to 8,00,000 sq. ft. gross leasable area with at least 2 anchors.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Super Regional</td>
<td>B. These are in the form of buildings and are created when the land price is high.</td>
</tr>
<tr>
<td></td>
<td>3. Vertical Malls</td>
<td>C. Over 8,00,000 sq. ft. and serves as dominant shopping venue for the region in which it is located.</td>
</tr>
<tr>
<td></td>
<td>4. Shopping centre</td>
<td>D. Open-air retail, that is, a number of stores located close to each other in an open area.</td>
</tr>
</tbody>
</table>

a. 1-D; 2-B; 3-C; 4-A
b. 1-A; 2-C; 3-D; 4-B
c. 1-A; 2-C; 3-B; 4-D
d. 1-D; 2-A; 3-B; 4-C

3. Which of the following is not a feature of organised sector growth?
   a. Organised retail
   b. Total consumer spend
   c. Average salary hike of 15+ percent
   d. Retail district

4. Which of the following refers to the combination of retail shops occupying space in a mall?
   a. Positioning of mall
   b. Zoning
   c. Promotion and marketing
   d. Tenant mix

5. ______________ refers to defining the category of services offered based on demographics, psychographics, income levels, competition in neighboring areas.
   a. Market value
   b. Positioning of mall
   c. Zoning
   d. Promotion and marketing
6. ____________ refers to the division of mall space into zones for the placement of various retailers.
   a. Positioning of mall
   b. Zoning
   c. Promotion and marketing
   d. Tenant mix

7. Which of the following is not a type of facility management?
   a. Infrastructure management
   b. Ambience management
   c. Financial management
   d. Traffic management

8. ____________ includes managing foot traffic into the hall and parking facilities.
   a. Infrastructure management
   b. Ambience management
   c. Financial management
   d. Traffic management

9. ____________ includes management of parks, fountains and overall look of the mall.
   a. Infrastructure management
   b. Ambience management
   c. Financial management
   d. Traffic management

10. ____________ refers to the management of facilities provided to the tenants within the mall.
    a. Infrastructure management
    b. Ambience management
    c. Financial management
    d. Traffic management
Chapter II

Introduction to Multiplex

Aim
The aim of this chapter is to:

• explain multiplex system
• elucidate common factors in multiplex management
• enlist the advantages and disadvantages of multiplex system

Objectives
The objectives of this chapter are to:

• discuss scope of multiplexes
• elucidate the multiplex growth in India
• study multiplex systems

Learning outcome
At the end of this chapter, you will be able to:

• understand the scope of multiplexes
• know the functioning of multiplex management
• enlist an example of a multiplex with respect to management
2.1 Multiplex

A Multiplex is a movie theatre complex with more than three screens. The largest of these complexes are sometimes referred to as a Multiplex. Definitions of what constitutes multiplex vs. a Megaplex is related to the number of screens. Often the comparison is arbitrary. For example, 12 to 16 screens may constitute a Multiplex, whereas 14 to 20 may be branded a Megaplex. To manage these all types Multiplexes, we have using Multiplex Management System Software. In Multiplex Management System there are different types of Departments. To handle these departments we can use these multiplex management software’s. Through this software’s we can easily manage all the departments Megaplex theaters sometimes feature stadium seating and other amenities are often not found at smaller movie theaters. Multiplex theatres often feature regular seating however; the screens are often smaller than those found in traditional movie places. During a high period of growth in many towns the competition presented by a multiplex would often put the town’s smaller theaters out of business. Multiplexes were often developed in conjunction with big box stores in power centres or in suburban malls during the 70’s and 80’s, which are commonly referred to as the era of “The Malling of America”. The expansion was executed at the big-box pace, which left many theatre companies bankrupt while attempting to compete almost all major movie theatre companies went bankrupt during this hasty development process, however AMC Theatres did not go into bankruptcy. Daily operations of the local theaters were not much affected despite these corporate level issues.

A couple of years ago, people used to go to medium sized individual stores to buy apparels and to single theatres to watch movies. The scenario has changed only recently. Now they have plush malls with multiplexes in the top floors to watch movies, shop for apparels and even food stuff. These malls add colour to the city, making it secure in the broad way of globalisation. With the advent of malls, cinema goers prefer to watch movies in the multiplexes rather than going to the city theatres. Multiplex business has gained steady momentum in the metros and they soon undertook the risk of broadening their network to the non-metros. And now we have multiplexes in hill stations like Darjeeling, and in medium sized cities like Mangalore, Ghaziabad, Goa, Lucknow, Thane, Jaipur, Nasik and numerous small towns. In cities such as Kolkata, New Delhi and Mumbai the ticket prices are comparatively higher than non metros. During weekdays, the prices of tickets vary from Rs.150- Rs.200 in the metros and soars up during the weekends making the tickets available at Rs.200-Rs250. The morning shows are priced at Rs 60.00, Rs 80.00 or Rs 100.00 attracting the school and college folk. The profit margin is slightly different in the non metros, classified according to their affordability factor, taste and preferences. The price of tickets in non metros varies from Rs 80.00 to Rs 100.00 during the week in the small towns. The food and beverage counter has also attained a booming business from their established food stalls in the multiplexes. These multiplexes have smartly refused to allow food inside the theatres giving it the name of ‘cleanliness’ whereas this is completely a business oriented approach to attain commission from the food stall owners and give them effective business.

The single theatres have lost the most in this multiplex run. Most of the population is able to afford the multiplexes and hence these theatres are flocked only by the lower middle class, which seldom cares to watch a movie.. Globe Theatre, Kolkata is one of the most popular theatres in the city featuring classics, English documentary or Hollywood movies and used to be populated by distinctive crowd. However, the number of movie-watchers at these theatres has declined at a steady pace and now visiting these halls, one can witness numerous empty seats. Individual theatres are in the verge of closing down as the intensity of loss cannot be borne for long in comparison to the cost incurred in putting up a movie and maintenance expenses.

The first multiplex that emerged in Kolkata was Inox (PVR Cinemas) at the Forum Mall, Kolkata. Since then we have witnessed the coming of 89 Cinemas, Fame, Big Cinemas (Adlabs) and now the IMAX. 89 Cinemas has been acquired by Inox last year and now we have three Inox multiplexes in the city scattered in different zones. The Indian population has been bitten by the Bollywood bug in the days of Dilip Kumar and Raj Kapoor. Catching one glimpse of their favorite movie stars is the fulfillment of one of the most important dreams for many Indians. Movie stars visit these multiplexes in order to promote their movies and thereby fulfilling many such dreams. No wonder these multiplexes are flocked by people all the time while the individual theatres are running out of business. PVR Cinemas has branched to PVR talkies for the small town business under this separate brand name. Multiplex constitute 2%-3% of the total number of individual halls however the range of movies that the feature at one time and the convenience that they offer has won over hearts and has gone beyond the metros.
Real estate players such as DLF have invested crores in Multiplex business with the surety of it flourishing now and in the long run. With the advent of multiplexes it is not only prosperity of cinema but also of the business profitability factor.

### 2.2 Managing a Multiplex

- Operating theaters is a business that analysts call moderately attractive: one with steady, if unspectacular, cash flow but lately with a tendency to build seats faster than it fills them. That tendency worries some financial analysts. The average 19-year-old sees eight movies a year, said Christopher Dixon, an entertainment analyst with Paine Webber. “The numbers suggest they will need to see 11 or 12 movies a year in order to maintain continued growth across the industry.
- For theatre owners, actual ticket revenue is less important than the power to draw crowds.
- What people want to see, when they want to see it, what kinds of snacks and soft drinks they want to consume with it, and what niceties will bring them back.
- A-car valet parking are key questions for the multiplex.

### 2.3 Attributes of Multiplex Management

The figure below show the factors responsible for the efficient management of a multiplex.

![Multiplex management factors](image_url)

#### The Art of Attraction: Multiplexes Need More Than Films

- Customer service is the principle a multiplex tries to live by. It’s a current buzzword in the movie-theatre business, which has long been intensely competitive and is going through a fresh wave of consolidation.
- But some argue that just keeping customers coming back may turn out to be a theatre’s biggest challenge. The number of screens has grown rapidly, to 29,731 last year from 22,365 in 1986, according to the National Association of Theatre Owners. Ticket sales have inched past the billion marks, from 957,100 in 1976 to 1.3 billion last year still far below the 4 billion sold in 1946, before television came along.
- The growth has some analysts worrying that the number of theatres will eventually outstrip the demand from moviegoers.
- With people staying home to watch the winter Olympics, few new movies opening, weather factors and the need to pay heating bills will be a major test for some of the bigger megaplexes.
- Many theatre chains have moved to include other forms of entertainment under their roofs, like roller rinks and miniature golf, to capitalise on the time people spend there.
- At a multiplex, where the attractions include coin-operated video games and General Motors cars on display (part of a marketing deal General Motors Corp. made with the theatre), the full measure of that four-hour experience has yet to materialise. Plans for restaurants on either side of the grand lobby have been stalled by various glitches.
Finding people to work the hourly-wage slots at a multiplex has been one of management’s biggest headaches.

The Balancing Act: Selecting the Theatre that Fits the Film
Depending upon the public response, cast, story, location of the theatre, crowd visiting the theatre, screen resolutions, sound and seating arrangement and quality a particular movie is screened at a particular theatre.

The Weekly Puzzle: Find an Opening for Each Opening
- The relationship between film distributors and theatre operators is one of wary co-dependence. “Each looks at the other as a necessary evil,” said Dixon, the Paine Webber analyst. “Many of the studios recognise that it is very important for them to have quality screening facilities. For the theatre owners, it’s basically a real-estate business. You’re renting seats.”
- The longer a film plays, however, the better the take can be for the theatre owner. The first two weeks of a star-filled sequel to a big hit film, for example, often are negotiated so that the distributor receives 90 percent of the box-office receipts, and the theatre owner gets just 10 percent.
- But there are also the big movies and the big nights, that produce the numbers to make the system seem logical.

2.4 Designing a Multiplex
- The growing share of entertainment expenditure in the disposable income pie is driving a revolution around India’s favourite entertainment option today -Movies. The combination of cinema with other services and facilities has led to the burgeoning growth of multiplexes around the country. It is unlikely that India’s experience with the multiplex form of cinematic exhibition can be comprehended without understanding the mechanisms of the liberalised economy in which it originated.
- Apart from movies, the other revenue generating channels for multiplexes are food and beverages, rent from display items, entertainment games and so on. It is this universal appeal that multiplexes have for all members of the family by offering “something for everyone”.
- Multiplex embodies the luxurious amenities of the modern day cinema - the multiple screen choices, state-of-the-art technology, ergonomic seating, eye-catching architecture, and top of the line concessions, restaurants, and food courts.
- Integrating shopping with cinema to generate better opportunities and making it lucrative.
- To compete with already existing cinema, the proposed cinema complex has to provide better facilities in terms of viewing, comfort, interiors and other facilities like parking, public convenience and so on.
- Creating an identity, image and a building of special architectural interest, which would enhance the built fabric of the city.
- The entire cinema building is designed after studying the traffic patterns and keeping in mind the integrity with the mall building. The cinema building consists of six cinemas. Two of them are Gold Class cinemas catering to high net worth individuals and families. The other four cinemas start from first floor level and stacked over the Gold class cinemas. The main entry as given in control drawings is through a bridge, which connects the cinema and mall building on first floor level. In addition the ground floor entry is utilised to give the entries to Gold class cinemas and the cinemas above. The lot of attention has been paid in drawings the peoples from the Cinema towards main mall, which would combine the joy of shopping and watching the movie in the same complex.
- In addition to above the climatic conditions, location of major road/pavements surrounding the building played a significant role in deciding the placement of cinemas/foyers/service areas/entry/exits in the building.
- The most important of them it had to cater to public acceptance and interest generation amongst users capable of smoothly handling the flow of masses at any given time.
2.5 Multiplex Growth in India

The Indian film industry is the largest film industry in the world in terms of the number of films produced and admissions each year. Revenue for 2004 was estimated at Rs. 59 billion (US$1.3 billion), which was less than 1% of global film industry revenue and a fraction of the U.S. Film industry revenue, which was US$9.49 billion in 2003. The Indian film exhibition sector had revenues of Rs. 34 billion in 2004.

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**The Film Exhibition Industry can be divided into two segments:**

- single and double-screen cinemas and
- multiplex cinemas, that is three screens or more

Fig. 2.2 Segments of Indian film industry

- As of March 2005, there were approximately 12,000 cinemas in India of which 73 were multiplexes with a total of 276 screens.
- Multiplexes constitute only 0.6% of about 12,000 cinema halls in India, but account for 28% to 34% of the box office take for the Top 50 films in 2004.
- More than 60 additional multiplexes with more than 220 additional screens are slated to commence operations by the end of 2006, a growth rate of 80-100%.
- Average price of a ticket for a multiplex cinema is Rs. 75 - 85 but the number of screens in multiplexes represented only 2.3% of total screens in India as of March 2005. (Source: Industry Estimates)
- An increase in the number of Multiplex screens should result in an increase in film exhibition revenues, so the opening of new Multiplexes represents a significant growth opportunity for the industry.
- In India, the number of screens per million of population is just 12 whereas the average in western countries is 40. India needs 20,000 screens to cater the entire cinema viewing population.

Growth drivers responsible for the expected increase in the number of multiplex cinemas are as follows:

- An increase in disposable income in the hands of an ever expanding Indian middle class
- Favourable demographic changes
- Organised retail boom
- Entertainment tax benefits for multiplex cinemas
- Increase in the number of high grade Hindi films.

2.5.1 Increase in Disposal Income

- Multiplexes generally cater to high and middle income Groups, with an increase in the number of households within this earning group, will result to higher consumption and spending patterns.
- Similarly, migration of households from lower income to middle income levels will further drive the consumption patterns.
- Urban consumers have increased their expenditure on leisure & entertainment.
- Simultaneously spends on eating out, movies and theatre, and books and music will increase.
2.5.2 Onset of Retail Activity

- Though organised retail comprises of 3% of the total retail pie of USD 200 Billion, it is growing at 25 to 30% CAGR.
- Number of malls in India is expected to increase from approximately 50 as of the end of 2004 to around 250 by the end of 2006.
- There will be approximately 600 malls by 2010 (Source Edelweiss Securities study).
- Multiplexes are one of the anchor tenants in large format malls, as their presence increases footfalls by approximately 40-50%.
- In order to encourage investment many state governments have announced policies offering entertainment tax benefits.
- This has encouraged the growth of Multiplex Cinemas and also encouraged single screen theaters to convert into Multiplexes.
- Quantum of entertainment tax benefit would be dependent on compliance with certain conditions specified by the relevant state.

2.6 Future of Multiplexes in India

- Over the next 18-24 months, 6 of the largest multiplex operators in India mentioned earlier are likely to commercialise approximately 200-240 screens spread across 50-60 new multiplexes.
- These multiplexes will have a cumulative seating capacity in excess of 55000-60000.
- There will also be an increase in number of multiplexes operated by smaller players, who constituted 66% of total multiplexes as of March 2005.
- It is estimated that number of operating multiplexes in India will increase by 80-100% by end of 2006.
- By the end of 2006, 135+ multiplexes will house more than 160,000 seats spread across 500+ screens.
- These multiplexes will have significant direct positive impact on the business economics of film production, financing, distribution and exhibition and indirectly on other ancillary markets.

2.7 Example of Multiplex: PVR Cinema

PVR Cinemas setup India’s first multiplex in 1997 at Delhi.

- The Company has been funded by ICICI Venture and is in final stages of closing second round of equity funding for future expansion.
- PVR Cinemas is focusing on developing multiplex properties in Northern, Western and Southern India (Bangalore & Hyderabad).
- The company’s long-term vision is to remain India’s most premiums and most preferred Retail Entertainment Company. To achieve this vision, PVR will continue to provide the highest exhibition standards at its cinemas besides increasing the number of cinemas under operation on a pan India basis. PVR will further look forward to bringing allied retail entertainment concepts to India to complement and complete the entertainment experience for its patrons.
- The company has definite plans to grow multi fold over the next 3-5 years with plans to set up 300 screens and expand to 40 cities from 20 cities at present. The company will continue to provide cinema viewing experience equipped with superior quality ambience, technologically updated systems and best service standards to ensure customer delight and unmatched cinema viewing experience. The company also aims to set up more bowling centres, ice skating rinks and expand its presence in key cities and become a dominant player in the Retail entertainment space at pan India level.
2.8 Multiplex Management System

MMS System is better than existing software’s because this software handles different types of departments like sales department, finance department and HR department. In software, we can operate different departments separately. All the departments were very easy to operate and there was such an attracting interface. The user can easily operate and easily work with software.
Summary

A Multiplex is a movie theatre complex with more than three screens. The largest of these complexes are sometimes referred to as a Multiplex.

In Multiplex Management System there are different types of Departments. To handle these departments we can use these multiplex management software’s.

During a high period of growth in many towns the competition presented by a multiplex would often put the town’s smaller theaters out of business.

Customer service is the principle a multiplex tries to live by.

Depending upon the public response, cast, story, location of the theatre, crowd visiting the theatre, screen resolutions, sound and seating arrangement and quality a particular movie is screened at a particular theatre.

The longer a film plays, however, the better the take can be for the theatre owner. Apart from movies, the other revenue generating channels for multiplexes are food and beverages, rent from display items, entertainment games and so on. It is this universal appeal that multiplexes have for all members of the family by offering something for everyone.

Multiplex embodies the luxurious amenities of the modern day cinema -the multiple screen choices, state-of-the-art technology, ergonomic seating, eye-catching architecture, and top of the line concessions, restaurants, and food courts.

Integrating shopping with cinema to generate better opportunities and making it lucrative.

To compete with already existing cinema, the proposed cinema complex has to provide better facilities in terms of viewing, comfort, interiors and other facilities like parking, public convenience and so on.

Creating an identity, image and a building of special architectural interest, which would enhance the built fabric of the city.

The Indian film industry is the largest film industry in the world in terms of the number of films produced and admissions each year.

An increase in the number of Multiplex screens should result in an increase in film exhibition revenues, so the opening of new Multiplexes represents a significant growth opportunity for the industry.

Multiplexes generally cater to High and Middle income Groups, with an increase in the number of households within this earning group, will result to higher consumption and spending patterns.

Simultaneously, spends on eating out, movies and theatre, and books and music will increase.

These multiplexes will have significant direct positive impact on the business economics of film production, financing, distribution and exhibition and indirectly on other ancillary markets.

References


Recommended Reading

Self Assessment

1. A Multiplex is a movie theatre complex with more than______ screens.
   a. two
   b. three
   c. four
   d. five

2. Multiplex theatres often feature regular seating however; the screens are often __________ than those found in traditional movie palaces.
   a. smaller
   b. bigger
   c. similar
   d. less

3. Finding people to work the hourly-wage slots at a multiplex has been one of management’s _________ headaches.
   a. biggest
   b. smallest
   c. easiest
   d. simplest

4. Which of the following statement is false?
   a. The relationship between film distributors and theatre operators is one of wary dependence.
   b. The longer a film plays, however, the better the take can be for the theatre owner.
   c. Integrating shopping with cinema to generate better opportunities and making it lucrative.
   d. Multiplex embodies the luxurious amenities of the modern day cinema -the multiple screen choices, state-of-the-art technology, ergonomic seating, eye-catching architecture, and top of the line concessions, restaurants, and food courts.

5. Which of the following statement is false?
   a. The most important of them it had to cater to public acceptance and interest generation amongst users capable of smoothly handling the flow of masses at any given time.
   b. The Indian film industry is the largest film industry in the world in terms of the number of films produced and admissions each year.
   c. MMS System is better than existing software’s because this software handles different types of departments like sales department, finance department and HR department.
   d. Local Cinemas is focusing on developing multiplex properties in Northern, Western and Southern India (Bangalore & Hyderabad).

6. Multiplexes generally cater to High and Middle income Groups, with an increase in the number of households within this earning group, will result to _______ consumption and spending patterns.
   a. lower
   b. equivalent
   c. higher
   d. medium
7. There were approximately 600 malls by _______.
   a. 2010
   b. 2011
   c. 2012
   d. 2000

8. Quantum of __________ tax benefit would be dependent on compliance with certain conditions specified by the relevant state.
   a. entertainment
   b. property
   c. land
   d. income

9. Multiplexes are one of the anchor tenants in large format malls, as their presence increases footfalls by approximately _______%.
   a. 10-20
   b. 20-30
   c. 30-40
   d. 40-50

10. In software, we can operate different departments __________.
    a. independently
    b. dependently
    c. separately
    d. legally
Aim
The aim of this chapter is to:

• explain the meaning of publicity
• clarify the reason for holding a press conference and press release
• explain the preparation for the presentation

Objectives
The objectives of this chapter are to:

• describe difference between advertising and publicity
• explain the manner in which to conduct a press conference
• analyse the reasons for making a presentation

Learning outcome
At the end of this chapter, the students will be able to:

• understand publicity and information services
• comprehend writing a press release and about the press kit
• discuss the advantages and disadvantages of press conference
3.1 Meaning of Publicity

The term ‘Publicity’ is a broad and elusive concept, which quite often implies – advertising, information services, propaganda and public relations – all these are included under the ‘Publicity’ umbrella.

Public Relations can be defined as a firm’s communication and relationship with various people – within the organisation and outside. An organisation has to deal with a number of people like suppliers, customers, employees, government setups, and so on. The Public Relations department of the organisation improves the image of the organisation.

3.2 Difference between Advertising and Publicity

Publicity and advertising are essentially different in their objectives. Advertising has to be paid for and the advertising message is controlled by the advertiser/sponsor. Publicity on the other hand is not always paid for. Advertising is undertaken for the sale of goods and services offered. It is normally tied up with promotion. Thus, product advertising principally aims at selling and not informing.

Publicity on the other hand is undertaken with a view to informing the public about an Organisation’s policies and objectives. It is the expression of Management’s viewpoint about the achievements and progress of the enterprise in respect of services rendered to the public in general. Publicity, thus, serves as a background for the trading activities of the enterprise.

Publicity has been defined by the American Marketing Association (AMA) as a ‘non personal situation of demand for a product, service or business unit, by planting commercially significant news about it in a published medium or obtaining a favorable presentation of it on radio, television or stage that is not paid for by the sponsor’. Often, publicity is considered more effective than advertising as publicity is designed to familiarize the general public with the product’s characteristics and advantages. The vehicles of publicity are as similar as advertising – newspapers, magazines and other informative media. Publicity is an essential element of a promotional plan.

3.3 Publicity and Information Services

This is primarily so, because publicity and information services have still to reach a stage of maturity. Publicity, whether spoken, printed or expressed otherwise, is largely undertaken to secure public attention, acceptance or understanding of some individual or organisation. In a government organisation/administration, it is essentially a medium of an organisation for explaining its policies and objectives, so that the necessary goodwill is created for the services it presents and the policies it introduces or implements.

The overall objective of publicity is, therefore, to develop a favorable public opinion. Publicity, thus, becomes a vehicle for rendering information, services in respect of an industry and services it renders to the public in general.

Information services are primarily undertaken to keep the citizens in touch with the various activities of the enterprises. A continuous flow of factual information designed to enlighten the citizens on company policies is regarded as one of the essential functions of the individual enterprises. There is an essential difference between publicity and propaganda.

3.4 Propaganda

The term propaganda has not still acquired a respectable status, either in public or business administration. In propaganda, the public is asked to accept readymade conclusions and quite often the source and objectives of propaganda are carefully conceived. Propaganda can be carried on for good, as well as anti-social purposes. It is largely directed to emotions. One example is that of the various family planning measures being used by the Ministry of Health and Family Planning on Doordarshan. When propaganda is, thus, undertaken, the public knows its origin or source. The interest involved and the methods employed are also quite known. Propaganda is, thus, a legitimate tool, which could be used for publicity and information services. A clear-cut distinction should be made between information services and propaganda. Information services are largely directed to educate the public, while propaganda is largely meant to create the desired results. In actual practice, information services and propaganda
tend to overlap each other and sometimes it may become quite difficult to draw a firm line of distinction between the two. Public Relations are a wider concept. In business administration, it is undertaken to create a climate of favorable opinion for the business enterprise. Public Relations, as a tool of social engineering, have not attained maturity. Straight-out publicity is one of the tools of public relations. Securing goodwill and creating favorable public opinion through other media, then publicity has been the accepted goal of public relations. Besides, publicity, institutional advertising, motion pictures, house magazines, and so on are some of the other media of public relations.

Four essential points that will help you to understand the difference between publicity and advertising:

- In public relations, there is a lack of control over the final message. When you release an advertisement, you have total control of the message in the advertisement and what you want to say. You have created the advertisement and have paid for it in the media. Hence, your message is presented in the manner you desire. The PR executives can tell the media all about the product, but the reporters are under no obligation to pass the message to the general public. So, if a reporter is not convinced about what the PR has to say, that media would get a negative message and not the one intended by the PR executive. In fact, very often, there is no guarantee that the media will cover the message at all.

- In public relations, there is no direct media cost. Like advertising, public relations are a communication activity, but unlike advertising, it does not involve any purchase of media space. Hence, the public relations budgets are smaller than advertising budgets.

- Public relations deals with an array of audiences, like shareholders, investors, media, government bodies, and so on whereas advertisements deal with customers, dealers and retailers.

- Public relations deal with important aspects other than marketing. It is used not only to increase sales, but also to encourage interest in the shareholders and bring public organisations a favorable opinion. PR also deals with labor relations, community involvement, government bodies and a number of other matters, not directly related to marketing. Sales promotions are those activities that supplement advertising and make it more effective. Examples of Sales Promotion are display, shows, exhibitions, demonstrations, product sampling, incentives to dealers, dealer salesmen training, and so on.

**Why hold a press conference?**

Calling for or holding a press conference is one of the ways of garnering publicity or managing public relations. It is basically an interaction between the organisation and the media. A press conference can be arranged by the agency for the client to launch a new product or service, or correcting and updating public perception, or to clarify anything, which may have damaged the company’s / individual’s image – Cadbury’s and the germs issue, or Pepsi and Coca Cola and the pesticide issue.

A press conference is often referred to as meetings with the press or as a press meet. It is a meeting between the executives of a Company and the media personnel. A press release or news item is an important means of public relations or publicity. Many people tend to rely on the ‘news item’ rather than an advertisement. Hence, the news item is often more important and effective and cheaper than an advertisement. On behalf of the client, the agency undertakes to call or invite the press reporters for a press conference or press meet. The reason or occasion is mentioned in the invitation. It is normally held at a hotel.

### 3.5 Writing a Press Release and About the Press Kit

A press note or press release can be prepared by the agency on behalf of the client. The press note or press release is a short document given to the media to provide information as to the matter of discussion. The press releases often distributed in a press kit, which is a package/folder which contains a writing pad, pen, product samples, photographs, information on the product, market and other necessary elements that will help to get the message across to the customer and general public.
The press note or release must be on the official letterhead of the client. It should be neatly typed, preferably on A4 size paper, in double spacing and with no spelling and grammatical errors. It should contain facts. A regional language (Hindi, Marathi, Bengali, etc.) translation of the texts would be handy for the local and regional press.

### 3.6 Organising and Conducting a Press Conference

Before beginning, a breaking news topic is absolutely essential. Without it, there is no need to hold a press conference. Now that you have your topic or new product, you must figure out what kind of media attention your story ultimately warrants. Once you have figured out your media target, issue a media alert or press release announcing your conference. Be sure to include a definite date, time and location. Changing any of these details after the alert has been issued may cause confusion among journalists that decide to attend. Journalists are very busy people and often do not have the time to check for updates. It would be helpful to arrange for multiple speakers to participate in press conference. Many reporters and journalists require numerous sources when writing an article, so having several people addressing the same issue would prove to be very convenient for them. There is an ideal number, but you can always try for more.

### 3.7 Pre-conference

The advertising agency undertakes to call or invite the press reporters for a press conference / press meet. A formal invitation on the client’s letter-head or an invitation card is sent to the press. The invitation or letter must mention the reason or occasion of the conference, who from the client would be addressing the press, along with the date, time and venue. It is normally held at a five star hotel in the evening followed by dinner.

The media department undertakes the responsibility of physically distributing the invitations to the press or media. The concerned and appropriate reporters are chosen by the media department – special correspondents, financial reporters, sports reporters, outstation media representatives, and so on, as the case may be. They have to utilise their good relations and ensure that the press reporters attend the conference.

### 3.8 At the Press Conference

Concerned personnel of the client, the concerned account executive and agency’s media personnel must attend the conference. The client’s personnel, as they would be addressing the issue. The account executive would know and interact with the client and the media personnel of the agency as they know the press personnel.

Rules to follow for the advertising agency personnel attending the press conference:

- **Punctual:** Be on time – as you are the co-coordinator, you should be at the venue, at least an hour before schedule.
- **Check projectors / audio system, LCD projector, have a test run of the CD/pen drive, etc.** In short, ensure that all equipment is working properly. Locate the electrical connections and so on.
- **Ensure that the seating and other arrangements are to the client’s satisfaction.**
- **Ensure that the stage backdrop, banners are properly put up.**
- **The seating on the stage along with the correct nameplates – with the correct spelling and designation of the persons.**
- **Dress neatly and formally:** Your dress reflects not only your personality, but also reflects on the agency as an organisation. Hence, dress neatly and formally, something comfortable, clean and ironed or pressed.
- **Ladies.** – Do not overdress – not as in a ‘Saas Bahu’ serial. Avoid overdoing the make-up or even applying make-up, if you are not comfortable. No cut-off, mini dresses, spaghetti straps, strapless, ‘T’ shirt, jeans, sports shoes. Avoid new clothes, as labels are scratchy and at times even uncomfortable. Also avoid starched clothes, as you appear stiff and even bulky. Ideally wear – business suits, sarees or salwar-kameez.
- **Gents.** – No T-shirts, kurtas, jeans, sports shoes. Avoid new clothes, as labels are scratchy and at times even uncomfortable. Also avoid starched clothes, as you appear ‘stiff’ and even bulky.
- **Ideal wear– Business suit, blazer/coat, with formal shoes.**
At the conference, when the media persons begin to arrive, they must have a register to note their details as to the publication they represent, address, and so on. It makes it easier for follow-up action – or has a bowl/box so that the media personnel can drop their visiting cards into it. Distribute the press kit to the press to the press personnel as they register themselves. A single stem rose may accompany this.

The Company executives address the press; presentation is made. The presentation must be followed by a question and answer session. An informal inter-mixing of the company personnel and the media usually follows this. The agency personnel should intermix with both the client and the press. This is followed by dinner. It’s normal practice (not compulsory) that when the press or media personnel are leaving, they be given a souvenir as a token of gratitude.

The news item will not appear in the next day’s paper as the conference would have got over late at night. Hence, it would be reported or filed the next day. The next day, give the press kit and the souvenir to the press personnel who did not or could not attend the conference.

### 3.9 Follow-up of the Press Conference

- The following day, the account executive and the media person should go and visit those press or media persons who did not attend the conference and hand over the press kit and the memento.
- The advertising agency personnel – both the AE and the media head should follow up with the press regarding the news item.
- After the news item has been published, the AE should paste each Item on a separate sheet of paper or agency letterhead giving details of the publication, date, page number, and so on.
- With a covering letter, all these sheets to be neatly filed and be handed over to the client.

### 3.10 Advantages and Disadvantages of a Press Conference

**Advantages**

- A press report or news has more credibility as it is reported news and not an advertisement, where the advertiser can say anything about his product. But a news item is reported by a third person.
- Similarly, the reported news has news value and the public tend to believe it and also read it as news, rather than an advertisement.

**Disadvantages**

- The main disadvantage is that one does not have any control on what the reporter writes – it can be a misunderstanding of the product or concept.
- One is not sure when, or whether the item will ever be published.
- There is no control of the message, size, time and place.
- Difficult to follow up on the outstation media

### 3.11 The Reasons for Making a Presentation

Making a presentation of any kind is generally for a product/service/skill and is a very important factor to make headway into the market or in the company. You are making the presentation to inspire them to some action; you want them to buy something; or you want to educate them about something. Hence, list out the objectives of the presentation and go for it.

There are three important stages in making an effective presentation:

- Pre-presentation - takes about 75% of your efforts.
- Actual presentation - takes about 20% of your efforts.
- Post presentation - takes about 05% of your efforts.
3.12 The Pre-presentation Preparations

Pre-presentation takes 75% of your efforts:

- Know whom you will be making a presentation to. Get as much as information about the audience – their age group, their language preference, their educational background, and so on. All this would assist you to prepare your presentation according to their taste, liking and understanding.

- Try to get a run down on what they are expecting from your presentation. Are you there to inspire them to some action; do you want them to buy something; or do you have to educate them about something. Hence, list out the objectives of the presentation and go for it.

- Have all the facts, figures and other information checked and double-checked. Avoid any misrepresentations and errors.

- Design a different type of format for each presentation to suit the audience. The audience will not necessarily be of the same nature, character and structure.

- Find out the strengths of your competitors (if any).

- Use simple language so that everyone in the audience can understand you.

- Be prepared for any contingency.

Preparation for the presentation

Some of the most sought aids to make a presentation:

- Power Point Presentation – PPT on the Computer through ‘Power Point’ using a normal computer screen or via LCD on a large screen.

- Over Head Projector (OHP) – making slides (TP) and projecting on the screen, this method is getting slightly out-dated.

- Slide Projector – Regular 35mm slides are used for this purpose. Can be done on a single projector or with multiple projectors in synchronisation.

- Flip Charts - Hand written or printed on large sheets of paper and bound at one end so as to flip the sheets at the presentation.

- Use a presentation aid with which you are comfortable.

- Do not try a new aid just for the heck of it.

- Let the best presenter in your team/office, make the presentation – give your ego a rest. Designations are not important. It’s not necessary that superior authority is the best presenter.

- Rehearse your presentation with your colleagues and enemies in the office. Let them tear the presentation to bits. It’s okay. Rather than facing the situation with the Client, get their frank opinion about the presentation and take their remarks seriously. Work as a team at the presentation and leave behind any differences of opinion.

- Every presentation must have a theme, which must flow to a logical conclusion.

3.13 Writing a Presentation

What you are going to say is the heart of the presentation. There is no hard and fast norm in writing a presentation. Different people write presentations differently. But you can ask yourself three simple questions and try to answer them.

What do I want to get out of the presentation? You must know why you are making the presentation. If you don’t, can you imagine how confused and impatient the audience would be.

There may be several points to be covered. So list them out and priorities them in terms of importance and tackle them in that order. List them out and inform the audience in the beginning so that they know exactly what to expect.
Keep the presentation flexible so that any questions/queries can be answered during the presentation. If you have learned by heart what you have to say, then this can be a pitfall. So only keep the main points in mind and the rest should follow.

### 3.14 Preparation for the Presentation

Some points to bear in mind when preparing a presentation:

- Don’t have too much text. Ideally, each slide should have not more than 8 – 10 words, plus the headline. The text on the slide should be in a point form. It is just your cue. You have to elaborate the points.
- The headline should be in a different color than the text. Use the same pattern throughout the presentation.
- Select a type, which is easily readable. Ideally, use a sans serif type like Arial, Helvetica, Avant Garde, and so on. Avoid italic type as it is difficult to read. As far as possible, stick to the upper case for the text as it makes easier to read.
- As far as possible, the background for the text slides and the visual slides should be the same.
- Check the mounting of the 35mm slides – damaged slides can get jammed. Have extra mounts as an emergency.
- Number the slides – particularly TP’s (Touch Panel). In case of any problem, you know the sequence.
- Never let raw light hit the screen – have an opening/welcome slide at the beginning and a thank you at the end.
- Avoid hand written slides – or see that someone with good handwriting writes them.
- In a flip chart, there is plenty of space - avoid using up all the space.

### 3.15 Making of the Actual Presentation

Making the actual presentation takes 20% of your efforts.

**Precautions and check list**

- Check the venue, the audio and visual system - screen/LCD/video/microphones/lights, etc. Test run before the audience arrives.
- Ensure you know where the switches are.
- Assign a role to every member of your team.
- Ensure that you have a ‘Question and Answer’ session.
- Dress neatly and formally - Your dress reflects not only your personality, but also reflects on the agency as an organisation. Hence, dress neatly and formally – something comfortable, clean and ironed / pressed.
- Ladies –Avoid ‘Over make-up’ or even ‘Make-up’ if you are not comfortable. Avoid new clothes, as labels are scratchy and at times even uncomfortable. Ideally wear - Business Suit, Saree and Salwar-kameez.
- Gents –Ideally wear - Business Suit, Blazer / Coat, with formal shoes.
- Body Language – your posture should be straight and erect, exhibiting enthusiasm and eagerness.
- When making the presentation from the podium, do not rest on the podium or grab the corners of the podium.
- Keep fair distance from the podium.
- Podium is for support - not a bunker (what you do behind is reflected out on your body).
- Do not be nervous. Avoid the drained and tense look.
- Keep eye-contact with the audience (so as to include them).
- Do not keep moving around. Some people have the habit of walking and strolling around when speaking.
- When walking around, we often block the screen behind us. The audience has gathered to hear your thoughts and see what is there on the screen and not vice-versa.
- Ticking/knocking should be avoided.
• When speaking of the actual presentation, do not learn it by heart as any interruptions can break your thoughts and spoil it.
• Avoid hard/difficult to pronounce words - keep the language as simple as possible. Let the audience understand whatever you say.
• Talk loud enough for everyone to hear you and talk slowly and clearly. Do not mumble. The audience should understand your thoughts.
• As a presentator get rid of any shyness and the fear of speech making.
• When speaking, do not feign. Be your normal self.
• Do not put on an accent. You are not attending a call in a call centre.
• You should be moderate and modest in what you say.
• You should have the skill to change your approach as per the situation and need. Always have the presence of mind to tackle a situation.

If necessary, keep photocopies of the presentation ready for distribution to the audience, for their reference. Inform the audience that photocopies will be given to them. It is better to distribute the copies after the presentation is over. The audience has the tendency to sheaf through the copies and disturb you when making the presentation. Also some may refer to a later point of your presentation, which may be out of context at the given time.

Do not:
• Use jargon or slang. If there are any technical words, please explain the technical terms at the very beginning.
• Read what is there on the screen. The points on the screen are a reminder or a cue for you to elaborate your point.
• Final words of advice – Remember that communication is the key. The text is to support the communication. The use of pictures is to simplify complex concepts. The use of Animation is advised for complex relationships. All the visuals are utilised to support what you say and not to distract the audience.
• It is advised that the use audio effect/sound should be used only when it is absolutely necessary.
• Be formal in the address as you represent your organisation or your department. It does reflect upon its culture.
• Do not stand with hands in your pocket - bad manners.
• When making the presentation do not fiddle with keys, change (coins), pen, and so on. Do not be fidgety. It is a sign of nervousness and at times a sign of uneasiness.
• Normally the audience has patience to listen for about 20 minutes or so. Thus, keep it short and crisp.

3.16 Post Presentation Formalities
Post presentation takes 5% of your efforts. Have a question and answer session and answer the queries to the best of your ability. If you cannot answer a question, put it across to your colleague who is the expert in that field. After all it is all about ‘team work’. And finally, remember to say ‘thank you’ for hearing you out.
• Basically be very polite and yet very emphatic when speaking at the presentation.
• Remember the acronym KISSES.
• Keep it short, easy and smooth. The presentation should be interesting and insightful.
Summary

- Public Relations can be defined as a firm’s communication and relationship with various people within the organisation and outside.
- Publicity, whether spoken, printed or expressed otherwise, is largely undertaken to secure public attention, acceptance or understanding of some individual or organisation.
- In propaganda, the public is asked to accept readymade conclusions and quite often the source and objectives of propaganda are carefully conceived.
- The press note or press release is a short document given to the media to provide information as to the matter of discussion.
- A press kit is a package/folder, which contains a writing pad, pen, product samples, photographs, information on the product, market and other necessary elements that will help to get the message across to the customer and general public.
- A press report or news has more credibility as it is reported news and not an advertisement, where the advertiser can say anything about his product. But a news item is reported by a third person.
- Making a presentation of any kind is generally for a product/service/skill and is a very important factor to make headway into the market or in the company.

References


Recommended Reading

Self Assessment

1. __________ can be defined as a firm’s communication and relationship with various people within the organisation and outside.
   a. Propaganda
   b. Publicity
   c. Public Relations
   d. Press conference

2. __________ is undertaken with a view to informing the public about an organisation’s policies and objectives.
   a. Publicity
   b. Advertising
   c. Information service
   d. Public relations

3. What does AMA stands for?
   a. Australian Marketing Association
   b. American Marketing Association
   c. American Marketing Assembly
   d. Australian Marketing Assembly

4. Advertising has to be paid for and the advertising message is controlled by the __________.
   a. Agency
   b. Press
   c. AE
   d. Advertiser

5. __________ are primarily undertaken to keep the citizens in touch with the various activities of the enterprises.
   a. Public relations
   b. Press conference
   c. Information services
   d. Advertising

6. Match the following:

<table>
<thead>
<tr>
<th>1. Punctual</th>
<th>A. Something comfortable, clean and ironed or pressed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Ladies</td>
<td>B. Business suit, blazer/coat, with formal shoes.</td>
</tr>
<tr>
<td>3. Gents</td>
<td>C. Organiser should be at the venue, at least an hour before schedule.</td>
</tr>
<tr>
<td>4. Dress neatly and formally</td>
<td>D. Business suits, sarees or salwar-kameez.</td>
</tr>
</tbody>
</table>

   a. 1-B, 2-D, 3-A, 4-C
   b. 1-D, 2-A, 3-B, 4-C
   c. 1-C, 2-D, 3-B, 4-A
   d. 1-C, 2-A, 3-D, 4-B
7. Which of the following statement is true?
   a. Pre-presentation takes about 70% of your efforts.
   b. Pre-presentation takes about 60% of your efforts.
   c. Pre-presentation takes about 75% of your efforts.
   d. Pre-presentation takes about 55% of your efforts.

8. Which of the following statement is true?
   a. Use difficult language so that everyone in the audience can understand you.
   b. Use simple language so that everyone in the audience can understand you.
   c. Use simple language so that nobody in the audience can understand you.
   d. Use hard language so that everyone in the audience can understand you.

9. Which of the following statement is true?
   a. Keep the presentation flexible so that any questions/queries can be answered during the presentation.
   b. Keep the presentation rigid so that any questions can be answered during the presentation.
   c. Keep the presentation flexible so that any answers can be questioned during the presentation.
   d. Keep the presentation flexible so that any answers can be questioned during the speech.

10. Which of the following statement is true?
    a. The presenter should be very rigid in what he says in the presentation.
    b. The presenter should debate in what he says in the presentation.
    c. The presenter should be moderate and modest in what he says in the presentation.
    d. The presenter should be very aggressive in what he says in the presentation.
Chapter IV

Sales Promotion: Present Scenario, Sales Promotion Mix, Tools, Strategies and Product Lifecycle

Aim

The aim of this chapter is to:

• Discuss the meaning of sales promotion
• Explain the present market scenario
• Outline the various sales promotion tools used for consumers

Objectives

The objectives of this chapter are to:

• Define how sales promotion is different from advertising
• Describe sales promotion and various marketing needs
• Analyse the product life cycle stages

Learning outcome

At the end of this chapter, the students will be able to:

• Understand the meaning of sales promotion
• Analyse relevant sales promotion strategies in the various stages of the PLC
• Recognise the various sales promotion tools used for trade partners and the sales force
4.1 Meaning of Sales Promotion

Sales promotion comprises of a collection of various tools, which are short term in nature. Sales promotion tools are planned, used and designed to generate faster and greater purchase response for products by consumers. Sales promotion can be for the end users as also well as for traders. Sales promotion adds value to the product and motivates the customer to buy it. Sales promotion offers an ‘Incentive’ to the final buyer. The ‘American Marketing Association’ defines sales promotion as follows- In a specific sense, sales promotion includes those sales activities that supplement personal selling and advertising and co-ordinate them and make them effective, such as displays, shows, demonstrations and other non-recurrent selling efforts not in the ordinary routine.

4.2 Use of Sales Promotion

There are several factors, which have pushed the growth of sales promotion, specifically in consumer products, FMCG and automobiles. There are two types of factors, which contribute to the rapid growth of sales promotion. These are:

Internal factors
Sales promotion is looked at as an effective sales tool and also an effective tool to stimulate customer traffic in the shop, showroom, service shop, and so on by the top managers of an organisation. Secondly, there is a great pressure on the sales force to increase their current sales volumes.

External factors
In every product category, the number of segments is increasing day by day. There are more numbers of products, brands for every market segment. Many products are ‘me too’ products and physical similarities are increasing day by day. Consumers today therefore have become more deal oriented, demanding and less loyal.

4.3 Present Market Scenario

There are many reasons that are favorable to the growth of sales promotion. Some are as below:

Cut throat competition
On the product front, every category has so many ‘me too’ products. They are physically very identical to each other. Currently the market is witnessing cut throat competition in the following product categories:

- Two wheelers, motorcycles in particular
- Four wheelers
- Mobile phones
- FMCG (fast moving consumer goods)
- Televisions, refrigerators, music systems
- Personal computers
- Pizza
- Soft drinks
- Insurance products
- Banking products
- Credit cards

Advertisements have become costlier and less effective
Today, a majority of the customers look at advertisements as the voice of the manufacturer. Customers find advertisements, are not reliable any more. Secondly, advertising in press as well as television has become extremely costly and also highly crowded.

Retailers, dealers, wholesalers have also become more demanding and powerful. In metros, retailing has become extremely competitive and specialised. Channel members expect the manufacturer to play a larger role in sales promotions.
Customers have also changed
The large Indian middle class has changed over a period of time. It is the fastest growing segment in the society. The new Indian middle class is smart and is engaged in increasing its income. These people are highly ambitious and result oriented. The new Indian middle class is exposed to information and the best things in life. Moreover, due to the IT industry boom, both husband and wife are working and have good disposable incomes.

4.4 Difference between Sales Promotion and Advertising

- Sales promotion is a diverse offer to the consumers to immediately buy the product. It motivates the customers to pre-pone their buying decisions. On the other hand, advertising is an indirect approach towards convincing customers to buy a product.
- Sales promotion has short term objectives of immediately increasing the Sales Volumes in a shorter period. Advertising normally has long term objectives of popularising the product, product positioning, penetrating new markets and ensuring brand awareness. Advertising and Sales promotion have their individual roles to perform in a promotional campaign.

4.5 Sales Promotion and Various Marketing Needs

Apart from stimulating store customer traffic, sales promotion serves many marketing needs. It helps in liquidating accumulated stocks in the shops. Sales promotion also helps in overcoming seasonal sales fluctuations particularly in dull selling seasons. Companies typically launch a sales promotion campaign in the monsoon season. During this period, the store traffic is low and also the sales volumes. A sales promotion campaign is a great support to the company’s advertising campaign.

It also helps the sales force’s selling efforts. An intelligent, well timed sales promotion effort is a great competitive advantage to the company. It not only generates additional store traffic but also generates additional sales volumes. Thus, helps in getting competition customers and also helps in increasing the company’s market share. Apart from boosting sales volumes, a sales promotion campaign generates a lot of interest in the channel partners. It motivates channel partners to buy more merchandise.

4.6 Limitations/Drawbacks of Sales Promotion

Frequent use of sales promotion tools may erode brand image and brand loyalty as customers may start doubting the brand quality and its response from the market. Customers become more deal/scheme oriented and wait for promotional deals to be announced. Frequent sales promotion campaigns may affect the profitability of channel partners in the long run, as their margins may get squeezed.

4.7 Sales Promotion Mix

Sales promotion mix is a basket of various sales promotion methods to boost products, services or ideas.
- Advertising: Advertising is non personal communication aimed towards the mass market. Advertising is defined as any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor.
- Personal selling: A personnel selling is a one - to - one persuasive form of selling of a product, service or an idea to a potential customer by a company salesperson.
- Publicity: Publicity is gaining popularity for a product or a service through a third party or media without a charge. Publicity is viewed as more credible and authentic than other tools of promotion.
- Direct marketing: Direct marketing is a customer contact program personally or through non personal tools like telephone, fax and e-mail.
4.8 Consumer Sales Promotion

Sales promotion aimed at consumers is known as ‘consumer sales promotion’. This promotion requires the participation of customers. Customers are motivated to invest their time and effort in the sales promotion campaign. Some of the important consumer sales promotions are as follows:

**Price discounts**
On this offer, products are made available at a lower price than the normal, for a limited period. This motivates the customers to buy the product immediately, example buy before 31st March 07 and get discount up Rs. 500/-.

**Free samples**
Free samples are offered to convince the customers to try the product. This is a good tool to enter a new market. This strategy is very useful in the FMCG (Fast Moving Consumer Goods) sector. Samples can be offered by the sales team, retailers, direct mail, through newspapers or on-pack or in pack.

**Consumer contests**
Here, the consumers are invited to take part in quiz contests, rallies, beauty contests, slogan suggestion, brand name suggestion, logo suggestion, and so on. Contests are conducted to generate customer interest and excitement. Contests also help in creating product awareness and push store traffic or enquiries.

**Gift schemes**
Gift schemes are intended to create additional sales and value addition to the product and customer benefits. Gifts may include. Walkmans, dinner sets, pens, sunglasses, cell phones, gold coins, helmets, tankful of Petrol, accessories and so on.

**Finance, hire purchase offers**
This is a very commonly used promotional tool in consumer durables and automobiles. Private Banks and nationalised banks are aggressively financing automobiles. This tool is extremely useful in attracting lots of customers who are interested in buying but have less money to invest. Typically up to 80% financing is offered by the banks.

**Exchange offers**
In exchange offers, customers can surrender their used two wheelers, cars, TV sets, gas stoves, pressure cookers, refrigerators for a price and take home a brand new product.

**Demonstrations**
Product demonstrations are organised to improve and increase awareness, particularly new products in the markets. Free test ride is a commonly used tool in selling 4 wheelers and 2 wheelers. Demonstrations can be organised at various housing colonies, retail malls in schools or door - to - door. Demonstrations are a great support to company’s advertising campaign. Dealers, company, sales force or an outside agency are involved in product demonstration.

4.9 Trade Promotions

Trade promotions are essentially aimed and designed for trade partners or channel partners like retailers, wholesalers, dealers and so on. Trade promotions are crucial because they motivate channel partners to buy more and sell more. Trade promotions are designed in such a way that they deal with purchase as also retail sale. Targets are designed for purchase from the company as well as sale to the final customers. Trade promotions are very common in the FMCG sector, pharmaceutical sector, consumer goods sector and paint sector.

Some of the trade promotions are as follows:
In this effort, the company offers special allowance to the retailer for arranging desired display and merchandising effort. This helps the retailer, dealer to boost the store traffic. A good, professional display influences the consumers’ mind. Many trade partners organise relevant display as per the season in the market. Example, special displays in Ganesh festival, Diwali, Christmas, Gudhi Padwa, and so on.
Trade and buying incentives
The incentives are designed by the manufacturer to load inventory to the dealer. On a purchase of specific quantity of goods, the company offers a special reduced buying price to its dealers.

Free goods
This offer to the trade partners is in the form of extra product quantity purchased. Some product quantity offered free. If a chemist buys 10 bottles of tonic, he may get 2 or 3 bottles of tonic free. This helps and motivates the retailers to stock more.

Sharing of advertising expenditure
Many a times a dealer or a retailer needs to advertise in the local media. This could be a scheme, a test ride campaign or new product arrival. The manufacturer can share up to 50% of the cost incurred by the dealer.

4.10 Promotion for Sales Force
These sales promotions are aimed and designed for the sales people. These schemes are expected to motivate the sales force to deliver better results all the year round. Some sales promotion schemes for the sales force are mentioned below:

- sales contests
- sales incentives
- awards and prizes
- roll of honor
- foreign tours
- sales training

4.11 Product Lifecycle
A product passes through four typical phases during its life span. These four stages are:

- Introduction stage
- Growth stage
- Maturity stage
- Decline stage

4.11.1 Introduction Stage
In this stage, the product is just introduced in the market. Market response is not very high. Sales volumes are quite low. The product may have initial performance problems. In this stage, the demand has to be created and developed. Looking at the product response, the competition may retaliate with a similar product to pre-empt the launch.

4.11.2 Growth Stage
In the growth stage, the product experiences a climb in the sales volumes. Competitors retaliate thinking that the market will give new opportunities. The production goes up and company starts making profits. As the sales rise at a faster rate, the promotion to sales ratio is low. Marketing and distribution efficiency has to be good.

4.11.3 Maturity Stage
The maturity stages mean the saturation point of product sales. Channel partners carry more inventory than the demand. This may result into a price war. The manufacturer may modify the product and try to be different than the competitors. The marketers try to exploit new market segments and may offer promotional deals to maintain sales volumes. Marketing costs are increased in this stage and profits are lower.
4.11.4 Decline Stage
In this stage, the sales begin to decline. The product demand also shrinks. This results into squeezed margins. Many smart companies keep new products merely to overcome this phase. However all products that are launched need not pass through all these stages. Some products may even fail to take off resulting into heavy losses.

4.12 Promotional Strategies in Various Stages of the Product Lifecycle

**Strategies in the introduction stage**
The first and foremost strategy in this stage is to make the product available in the trade channel. Sales promotion strategies like free trials, free test rides, demonstrations and free samples are adopted by companies. Since store traffic is high, personal selling effort is also very high.

The company can adopt the ‘rapid skimming strategy’, which means launching of a product at a High Price and a high promotional effort. A second option is ‘show skimming strategies’ which means launching of new product at a high price and low promotional effort. This is adopted to recover profits as early as possible.

**Rapid penetration strategy**
This means launching a product with a low price but high promotional effort. This helps in gaining the fastest market penetration and market share.

**Slow penetration strategy**
This strategy consists of launching of a product at low price and low level of promotional effort. This strategy is useful in large size markets and where product awareness is quite high.

**Strategies in the growth stage**
During this stage the company adopts many strategies to sustain the market growth to the best possible extent.

Some of the strategies are:
- improved product quality
- improved styling
- improved packaging
- addition of new features
- identification of new markets and segments
- enhancement of distribution channels
- reduced advertising expenditure
- enhancement of production levels of the product.

**Strategies in the maturity stage**
Many sales promotion tools like discounts, increased advertising, incentives to dealers, gifts to consumers, demonstrations and dealer contests are some of the strategies used in the maturity stage. Product modification is also a very commonly adopted strategy at the product level.

**Strategies in the decline stage**
The company experiences various tasks in this stage of the product lifecycle; some of the tasks are as follows:
- partners
- motivating the sales force
- identifying weak markets
- identifying weak products
These are at the manufacturers’ level strategies aimed at traders, which are discounts, free schemes, contests, and so on. Strategies aimed at consumers are, gift schemes, loyalty bonus, exchange offers, zero percent finance schemes, and so on.

### 4.13 Pull Strategies or Pull Promotions

These types of strategies are designed by the manufacturer for consumers. Some of these pull promotions are as follows:

- discounts
- gifts
- contests
- special hire purchase schemes
- gift coupons
- special incentives
- exchange offers
- loyalty bonus
- special bonus

### 4.14 Push Strategies or Push Promotions for Trade Partners

- Buying incentives
- Free schemes
- Trade coupons
- Advertisement sharing
- Contests
- Quantity discounts
- Display incentives

### 4.15 Some Real Examples of Sales Promotion

Discussed below are some examples of actual sales promotion.

#### 4.15.1 Product Demonstrations

- Door - to - Door: Vacuum cleaners by Eureka Forbes are demonstrated and sold door - to - door. Consumer appliances like food processors, irons are also sold directly to the consumers.
- In Schools: Products like books, encyclopedias, games, personal computers are demonstrated at schools.
- At Retail Malls: Many FMCG goods like shampoos, detergents, soft drinks are displayed and demonstrated at big and small retail malls.
- Trade Fairs and Exhibitions: These are the most popular and the oldest form of product demonstrations. Auto Expo in New Delhi attracts lakhs of customers. Industrial Products of high cost are also demonstrated at Trade Fairs. Hot orders and enquiries for the products are generated at the trade fair.

#### 4.15.2 Free Gift Offers

- ‘Free’ 2 band transistor on purchase of molded luggage.
- Free Sun Glasses on purchase of a bike.
- Tank full of petrol free on purchase of bike.
- Accessories and CD player free on buying a car.
- Buy two shirts and get one free.
• Buy a personal Computer and get an internet connection free.
• Buy toothpaste and get toothbrush free.
• Buy a refrigerator and get a stabilizer free.

4.15.3 Discounts and Price Off

• Buy a motorcycle before 31st March ‘07 and get Rs. 1001/- off.
• Entry level bike now at Rs. 35,000/-.
• Buy a new pressure cooker, get up to 150/- off. Hurry offer for a limited period.
• Cell phones now at affordable, reduced prices. The frequency of promotion in FMCG and durables is almost the same. While in the service products, the frequency of the promotion is the lowest.
Summary

- Sales promotion comprises of a collection of various tools, which are short term in nature. Sales promotion tools are planned, used and designed to generate faster and greater purchase response for products by consumers.
- Internal and external factors contribute to the rapid growth of sales promotion.
- Sales promotion campaigns are designed for consumers, trade partners and for the sales force too.
- A product goes through various stages before it dies. This phenomenon is known as product life cycle.
- Every stage of the product life cycle has different sales promotion strategies.
- Sales promotion mix is a basket of various sales promotion methods to boost products, services or ideas.
- Sales promotion aimed at consumers is known as ‘consumer sales promotion’. This promotion requires the participation of customers. Customers are motivated to invest their time and effort in the sales promotion campaign.
- Trade promotions are essentially aimed and designed for trade partners or channel partners like retailers, wholesalers, dealers and so on. A product passes through four typical phases during its life span.

References


Recommended Reading

Self Assessment

1. ____________ tools are planned, used and designed to generate faster and greater purchase response for products by consumers.
   a. Advertising
   b. Printing
   c. Sales promotion
   d. Press

2. ____________ helps in liquidating accumulated stocks in the shops.
   a. Sales promotion
   b. Press conference
   c. Printing
   d. Product

3. In ____________, customers can surrender their used two wheelers, cars, TV sets, gas stoves, pressure cookers and refrigerators for a price and take home a brand new product.
   a. quiz contests
   b. exchange offers
   c. free gifts
   d. free sample

4. ____________ is a basket of various sales promotion methods to boost products, services or ideas.
   a. Sales promotion mix
   b. Sales promotion
   c. Sales person
   d. Sales planning

5. Product ____________ are organised to improve and increase awareness, particularly new products in the markets.
   a. offers
   b. schemes
   c. promotions
   d. demonstrations

6. Match the following:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>1. Advertising</td>
<td>A. Is a customer contact programme personally or through non personal tools like telephone, fax and e-mail.</td>
<td></td>
</tr>
<tr>
<td>2. Personal Selling</td>
<td>B. Is gaining popularity for a product or a service through a third party or media without a charge.</td>
<td></td>
</tr>
<tr>
<td>3. Publicity</td>
<td>C. Is a one - to - one persuasive form of selling of a product, service or an idea to a potential customer by a company sales person.</td>
<td></td>
</tr>
<tr>
<td>4. Direct Marketing</td>
<td>D. Is non personal communication aimed towards the mass market</td>
<td></td>
</tr>
</tbody>
</table>

a. 1-D, 2-C, 3-B, 4-A
b. 1-C, 2-A, 3-D, 4-B
c. 1-B, 2-D, 3-A, 4-C
d. 1-B, 2-A, 3-D, 4-C
7. Which of the following statement is true?
   a. In growth stage the product is just introduced in the market.
   b. In decline stage the product is just introduced in the market.
   c. In maturity stage the product is just introduced in the market.
   d. In introduction stage the product is just introduced in the market.

8. Which of the following statement is true?
   a. Free gifts are offered to convince the customers to try the product.
   b. Free samples are offered to convince the customers to try the product.
   c. Free schemes are offered to convince the customers to try the product.
   d. Offers are offered to convince the customers to try the product.

9. Which of the following statement is true?
   a. Free schemes are conducted to generate customer interest and also help in creating product awareness and push store traffic or enquiries.
   b. Free gifts are conducted to generate customer interest and also help in creating product awareness and push store traffic or enquiries.
   c. Consumer contests are conducted to generate customer interest and also help in creating product awareness and push store traffic or enquiries.
   d. Offers are conducted to generate customer interest and also help in creating product awareness and push store traffic or enquiries.

10. Which of the following statement is true?
    a. Slow Penetration strategy means launching a product with a low price but high promotional effort, which helps in gaining the fastest market penetration and market share.
    b. Rapid Penetration strategy means launching a product with a low price but high promotional effort, which helps in gaining the fastest market penetration and market share.
    c. Growth stage strategy means launching a product with a low price but high promotional effort, which helps in gaining the fastest market penetration and market share.
    d. Decline stage strategy means launching a product with a low price but high promotional effort, which helps in gaining the fastest market penetration and market share.
Chapter V

Introduction to International Business Environment

Aim

The aim of this chapter is to:

- define international business environment
- introduce the cross cultural communication process and negotiations
- delineate the strategies dealing with cultural differences

Objectives

The objectives of this chapter are to:

- elucidate the various environments that influence international business
- analyse the components of foreign environment
- explain the role of political ideology and the role of the government

Learning outcome

At the end of this chapter, you will be able to:

- describe the innovation and management of technology transfer
- understand the role of technology in the process of globalisation
- comprehend the cultural universals that are integral to the business environment
5.1 Technological Environment

Most of the people did not believe the arrangement made by ‘Lord Sri Krishna’ to ‘Dhrutharastra’ to get the information of ‘Kurukshetra War’ instantly until the live telecast of ‘cricket match’ through TV became reality. Similarly, we did not believe the power of God’s ‘Divine Vision’ (Divya Drushti) until the video conferencing was introduced. Similarly, the power of the ‘click-the-mouse’ and ‘get whatever you need at your door step’ became reality while some of us did not believe the Power of God waving his hand in the air like clicking the mouse on the computer and fulfilling the desire of his devotees.

The days of ‘touring-the-world within hours’ like ‘Narada’ are not far-off. In fact, NASA has been researching in this direction and came up with an airplane, which could reach from one part of the world to the other part of the globe within two hours. Thus, the illusions are becoming reality mostly due to technology. Man of the third millennium is able to see any part of the world, get any product from any country, and get messages from all over the globe with bare minimum cost by simply staying at his home or office. The distance is shrunken among the countries due to technology. All this, ‘once-up-on-a-time’s’ illusion has become reality.

The latest information technology has dissolved the national boundaries and the advancements of transportation technology have reduced the distance among the world nations. These technological changes enabled international business to take the shape of transnational business through the concept of global business. International business, in fact, gained significance due to the amazing advancements in technology. Technological environment has significant and direct influence on business in general and international business in particular. Technology is the application of knowledge.

J. K. Galbraith defines technology as “a systematic application of scientific or other organised knowledge to particular tasks”. Technology advanced phenomenally during the past 50 years. Technology changes at a faster rate. In fact, it brings change in the society, economy and politics. Technology affects all walks of life, all countries and the entire globe.

As stated by Alvin Toffler, “Technology feeds on itself. Technology makes more technology possible.” Thus, technology is self-reinforcing. Technology brings the globe closer. Technology flows from the advanced countries to the developing world through the multinational corporations (MNCs), joint-ventures, technological alliances, licensing and franchising.

5.1.1 Influence of Technology

Technology influences the way we live, we cook (electric rice cooker), we drink even water (filtered and mineral water), communicate (telephone, fax, e-mail, video conferencing, e-mail chatting and so on), preparing for a class or a case or reading a newspaper through the internet, marriage alliances through the internet, computer aided design, production, selling (e-commerce), satellite networks, electronic fund transfers, lasers, fiber optics, unmanned factories, miracle drugs, new diagnostic methods. New studies in technology like eye replaces the password and using the remote for car driving will take place.

5.1.2 Investment in Technology

Advanced countries spend considerable amount on research and development for further advancement of technology. Germany spends 50% of its R&D budget on product innovation and the remaining 50% on process innovation. Japan spends only 30% on product innovation and the remaining 70% on process innovation. In contrast, the USA spends 70% on product innovation and only 30% on process innovation.

The Japanese auto manufacturers gained incredible competitive advantage over the US counterparts by reducing new product’s time to market. Japanese companies introduce the products in three year whereas the US firms need five years for the same job. Japanese are investing money in innovations and creations in biotechnology. Others also follow Japan as this is an emerging area.
5.1.3 Technology and Economic Development
Technology is one of the significant factors, which determine the level of economic development of a country. The difference between the nations is mostly reflected by the level of technology. For example, though India had vast natural resources, it remained as a major importing country due to its low level technology before 1991. Japan with its high level technology could export finished goods to India, by importing the raw materials from India itself.

Thus, though Japan is endowed with poor natural resources, the Japanese became rich and advanced due to technology. As such, developing countries allow MNCs entry into their countries in order to have benefits of the latest technology and to develop the domestic industry. But often, it is criticised that the MNCs transfer obsolete technology to developing countries.

5.1.4 Technology and International Competition
Nations develop economically when they translate science into useful technology and in turn create wealth from innovations. Innovation is the useful adaptation of science or knowledge including invention of new products or processes. Invention is creation of entirely new. A few companies or people invent but many companies adapt scientific knowledge to generate wealth by application and commercialisation. Major inventions or discoveries do not remain properly for a longer period. The inventions or innovation process and global competitiveness are two determinants of a nation’s wealth.

Japan concentrates on process innovation in automobiles, steel, telecommunication and microelectronics while Germany concentrates on innovations in chemicals, pharmaceuticals, automotive engineering, medical instruments and machine tools. Italy concentrates on innovations in textiles and leathers.

5.1.5 Technology Transfer
Technology and global business are interdependent. International business spreads technology from advanced countries to developing countries by: establishing the subsidiaries in developing countries establishing joint ventures with the host country’s companies acquiring the country’s firms host country’s company’s technology transfer as innovation or by merging with the host arranging technological transfer to the companies of developing countries through technological alliances.

Technology transfer as an innovation
Technology transfer is mostly concerned with the introduction of existing technology to other countries, preferably to a less advanced country through international business operations. Procter & Gamble introduced less costly products like soaps and shampoos for Chinese in China in 1988 rather than diapers and sanitary napkins - that gave the company market advantage over the competitors.

Companies take the familiar products in the home market to the foreign markets that are new there. Colgate-Palmolive introduced wide range of its products to developing countries. In this process, MNCs bring new products, new processes and technologies to the host countries. These may be old in the home countries, but relatively new in the host countries. Therefore, various developing countries invite the MNCs to bring technology to their country that is non-available there.

Managing technology transfer
Foreign companies, when they establish manufacturing facilities in host countries bring technology, technical know-how, machinery and equipment, management knowhow, marketing skills and so on to the host country. They train the local employees in carrying out various operations including production. They design process technologies and products either in home country or host country.

However, they take all precautions in protecting intellectual property. Other information and knowledge is transferred to the local employees. Technology transfer takes place to a larger extent in joint ventures. However, the parent companies normally will not part with the significant part of the technology in order to safeguard their interest and profit.
5.1.6 Technology and Location of Plants
In addition, MNCs relocate their manufacturing facilities based on technology. In other words, MNCs locate the plants with high technology advanced countries and establish the labor driven manufacturing facilities developing countries, in order to get the advantages of cheap labor.

Scanning of technological environment
The level of the technology is not the same in all the countries. Advanced countries enjoy the fruits of the latest technology while the developing nations face the consequences of obsolete or outdated technology. Therefore, the MNCs have to understand the technology, analyse it before entering the foreign markets. MNCs have to procure the technological environmental information regarding: The level of technology of the industry in the home country. If the technology is not compatible, and then selects the appropriate technology for the host country, if possible. If not, select the host country’s technology that suits the home country’s technology. Study the compatibility of the technology to the culture of the host country including the taste and preferences of the host country’s customers. Study the transfer host country’s governmental policies regarding technology Study the modes of technology transfer like joint ventures, technological alliances etc. Study the impact of the technology on the environment of the host country including the laws pertaining to environmental pollution.

Appropriate technology
As indicated earlier, technology that suits one country may not be suitable to other countries. As such the countries develop appropriate technologies, which suit their topographical conditions, climatic conditions, soil conditions, conditions of infrastructure and so on. For example, Japanese automobile industry and Korean automobile industry design different types of cars, which suit the Indian roads.

5.1.7 Technology and Globalisation
The industrial revolution resulted in large-scale production. Added to this, the recent technological revolution led to the production of high quality products at lower costs. These factors forced the domestic companies to enter foreign countries in order to find markets for their products. Thus, technology is one of the important causes for globalisation.

Information technology and globalisation
As indicated earlier, the information technology redefined the global business through its developments like internet, www sites, e-mail, cyberspace, information super highways. Computer Aided Design (CAD), Computer Aided Production (CAP) and on-line transactions brought significant development to the global business. These facilities, according to M.J. Xavier, help the global companies in:

- Reducing the size of inventories
- Reducing delivery time
- Reducing unproductive waiting time
- Reducing the incidents of stock-outs and lost sales
- Responding to market changes at a faster rate
- Reducing rush orders
- Cutting down over production
- Reducing unnecessary movements of forwarding and back-tracking
- Reducing paper work and wasteful process
- Planning production levels accurately
- Reducing/avoiding physical movement of employees, suppliers, and customers.
- MNCs have to understand and analyse more of economic environment of the foreign countries for strategy formulation.
Owners’ Expectation
Many shopping mall professionals say that the single most important factor in tenant mix is owners’ expectations. The shopping mall is owners’ creation and management of tenant mix is the most important supply-side influence on retail location at the micro-level. Shopping mall inevitably passes from the status of new assets, designed to accommodate state-of-the-art retail practice and declines into degrees of functional obsolescence. In order to maintain asset value, managers need to monitor and adjust the tenant mix, but are constrained by the inertia of existing physical and legal arrangements. Shoppers can be attracted to a shopping mall by many factors.

The owners’ objective is for them to purchase goods and services, boosting retailer’s turnover and the share that they can take as rent. However, shopper’s motivations for visiting the mall may involve socialising with family and friends, browsing to gather information on possible future purchases and relieving boredom, rather than making purchases of goods or services. Shopping malls have transcended the role of purchase site to becoming a centre for many possible activities.

An understanding of the owners’ goals and objectives will enable the Mall Manager to make more informed decisions in all aspects of management, especially leasing. This is accomplished by:

• Meeting with owners on regular basis
• Ascertaining the economic value of the base
• Mall manager should meet at least once in a year with the owners to learn and acknowledge their expectations for tenant mix and leasing.
Summary

- The arena of international management has never offered so many opportunities and challenges to individual managers, businesses, governments, and the academic community alike.
- International management requires the understanding of crossing cultures, multinational corporations’ interactions, global perspectives, and corporate issues.
- When a company faces the decision of whether to become an international enterprise, they will be encountering many issues they have never before dealt with. This can be a confusing and difficult process for everyone involved especially the managers.
- An international manager must be willing to research the new lifestyles and cultural norms before entering the new operational facility.
- Globalisation of economic activity has been closely linked with the development and establishment of empires worldwide through international trade since the sixteenth century.
- Globalisation is the process by which an activity or undertaking becomes worldwide in scope. It refers to the absence of borders and barriers to trade between nations.
- The alternative to the globalisation strategy is dubbed as ‘Globalisation’.
- Service quality and customer satisfaction are qualities customers expect everywhere they go. It does not matter if the business is a restaurant, hotel, gas station, or a grocery store.

References


Recommended Reading

Self Assessment

1. ____________ defined the term environmental analysis as, “the process by which strategists monitor the economic, governmental/legal, market/competitive, supplier / technological, geographic and social settings to determine opportunities and threats to their firms.”
   a. Reginald Revans
   b. Vincent Bollore
   c. William F. Glueck
   d. Douglas McGregor

2. ___________ can be defined as the factors in the firm’s immediate environment, which directly influence the firm’s decisions and operations.
   a. Micro environment
   b. Macro environment
   c. Mini environment
   d. Major environment

3. An analysis of enables a firm to know how big is the market and what its nature is ____________.
   a. geographical environment
   b. economic environment
   c. social environment
   d. political environment

4. ____________ is one of the variables related to the country’s monetary and fiscal policies and have a substantial impact on the costs and profitability of business operations.
   a. Deployment
   b. Inflation
   c. Deflation
   d. Employment

5. Match the following:

<table>
<thead>
<tr>
<th>1. Culture</th>
<th>A. Sum total of man’s knowledge, beliefs, art, morals, laws, customs and any other capabilities and habits acquired by man as a member of society.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Balance of Payment Accounts</td>
<td>B. Throws light on the country’s exports and imports as well as its major sources of imports and destinations of exports.</td>
</tr>
<tr>
<td>4. Elements of Culture</td>
<td>D. Language, aesthetics, education, religions and superstitions, attitudes and values, material culture, social groups and organisations, and business customs and practices.</td>
</tr>
</tbody>
</table>

a. 1-D, 2-C, 4-A, 5-B
b. 1-A, 2-B, 3-C, 4-D
c. 1-D, 2-C, 3-B, 4-A
d. 1-B, 2-A, 3-C, 4-D
6. According to Ball and McCulloch___________, refers to all manmade objects and its study is concerned with how man makes things and who makes what and why.
a. technological culture  
b. spiritual culture  
c. mechanical culture  
d. material culture

7. Cultures, which handle information in a direct, linear fashion are called “ _____________.”
a. Monochromatic  
b. Polychromatic  
c. Dichromic  
d. Semi chromic

8. In some countries like the USA, Canada, Germany and Switzerland the messages that the people convey are explicit and clear. These cultures are called_________.
a. low-context cultures  
b. high-context cultures  
c. minimum context cultures  
d. peripheral context cultures

9. _____________, which is defined as the vulnerability of a project to the political acts of a sovereign government is a big threat to foreign business.
a. Political risk  
b. Climatic changes  
c. Social change  
d. Terrorism

10. ___________ is a mild form of intervention and involves transfer of control of foreign investment to national ownership to bring the firm’s activities in line with national interest.
a. Instability  
b. Political  
c. Sovereignty  
d. Domestication
Chapter VI

Fire Management

Aim

The aim of this chapter is to:

- introduce fire management
- explain fire-fighting system
- describe fire safety plan

Objectives

The objectives of this chapter are to:

- identify source of ignition, fuel and oxygen
- analyse risk assessment
- explain the responsibilities of supervisory staff in fire safety

Learning outcome

At the end of this chapter, you will be able to:

- identify different sources of fuel and oxygen
- elaborate fire safety plan
- explain general fire procedures for all staff
### 6.1 Introduction to Fire Management

Three factors are necessary for fire ignition, namely, a source of ignition, fuel and oxygen. If any one of these is missing, there cannot be an ignition. Taking steps to avoid the co-existence of these three factors should, therefore, reduce the chances of a fire occurring. Once a fire breaks out, it can spread very quickly and from one source of fuel to another. As it grows, the amount of heat it gives off increases and this can cause other fuels to self-ignite.

#### Identify sources of ignition

You can identify the potential ignition sources in your workplace by looking for possible sources of heat, which could get hot enough to ignite the material in the workplace. These sources of heat could include:

- **Naked flame**: Smokers’ materials, example cigarettes and matches.
- **Hot surfaces**: Hot surfaces and obstruction of equipment ventilation, example office equipment.
- **Mechanically-generated sparks**: Hot processes such as welding or grinding work.
- **Electrically-generated sparks**: Faulty or missed electrical equipment, lighting equipment, example halogen lamps.

#### Identifying sources of fuel

Anything that burns is fuel for a fire. So, you need to look for the things that should burn reasonably easily and are in sufficient quantity to provide fuel for a fire, cause it to spread to another fuel source. Some of the most common ‘fuels’ found in workplaces are:

- Flammable liquid-based products such as paints, varnish, thinners and adhesives
- Flammable liquids and solvents such as petrol, white spirit, methylated spirit and paraffin
- Flammable chemicals
- Wood
- Paper and card
- Plastics, rubber and foam such as polystyrene and polyurethane, example foam used in upholstered furniture
- Furniture including fittings and fixtures
- Textiles
- Loose packaging material
- Waste materials, in particular finely divided materials such as wood shavings, off-cuts, dust, paper and textiles.

#### Identifying sources of oxygen

The main source of oxygen for a fire is in the air around us. In an enclosed building, this is provided by the ventilation system in use. This generally falls into one of two categories, natural airflow through doors, windows and other openings; or mechanical air-conditioning systems and air handling systems. In many buildings, there should be a combination of systems, which should be capable of introducing/extracting air to and from the building.

### 6.2 Introduction to Fire-Fighting System

Mall by the nature of it, gets a lot of visitors, with an estimated average footfall of 5000 visitors every hour, hence the safety of people should be a prime concern. To achieve this, elaborate measures have been taken into account while designing fire detection and fighting system for the mall. The mall internally should be supported with best system for fire-fighting with state-of-the-art technology.
This includes intelligent-type analog addressable fire detection cum-alarm system that consists of intelligent panel and addressable detectors and devices with conventional detection system and beam detection for auditorium. Three types of detectors have been provided (Photo-Electric type, Ionisation type, and Heat detectors) besides sprinklers; fire hydrants supported by fire pumps connected to a fire tank of a capacity of 100,000 liters of water should be supplemented with underground tank of a capacity of 90,000 liters.

6.3 Risk Assessment

Fire risk assessment is a crucial step in fire management. As a part of fire risk assessment, fire safety requirements of property should be assessed periodically for ensuring their function ability and serviceability.

![Fig. 6.1 Fire risk assessment](image)

6.4 Fire Safety Plan

Fire safety should be an important responsibility for everyone. Occupants depend on the knowledge, skills and training of the supervisory staff should be providing and maintaining a fire-safe environment. Procedures contained in a Fire Safety Plan must be designed specifically for each building. In a fire emergency, if followed properly, the procedures should reduce the risk to life for all occupants, visitors and staff in the building. To be effective however, a Fire Safety Plan requires the following:

**Commitment by management and supervisory staff to fire safety**

A willingness by management to promote fire safety knowledge of the building, knowledge of the fire safety protection equipment, a clear understanding of the procedures and how to implement them properly and co-operation of supervisory staff to enhance the fire safety of occupants.

**Developing the fire safety plan**

The purpose of the emergency plan should be to ensure that the people in your workplace know what to do if there is a fire; and to ensure that the workplace can be safely evacuated. In assessment of the plan, an audit of all systems and equipment within your facility is to be prepared. The human resources that are available to respond to emergencies are also important to include as part of the planning information. These resources may include food service staff, maintenance staff, house-keeping staff, security staff and others, if applicable. The plan for your building should be a unique document; the preparation and implementation of a Fire Safety Plan should ensure the optimum use of all life safety features installed in your building. The complete plan must reflect the various functions within your building and the resources available to your occupants.
Fire Safety Plan must identify the essential components to ensure an orderly and safe emergency evacuation of all occupants and staff under emergency conditions. In a fire emergency, the prime consideration of any Fire Safety Plan should be to ensure that the occupants are safe. This often means moving the occupants in the immediate fire area to an alternate zone. If the fire cannot be quickly brought under control, occupants may have to be moved to an alternate floor or even relocated to other areas.

The extent of fire development, building layout, weather conditions, the state of health of the occupants and other factors should dictate the need to relocate occupants, some almost immediately. Relocation arrangements for occupants must become a set of established, pre-planned options, especially when it becomes necessary to evacuate a building due to fire or other emergency. The relocation arrangements for the occupants need to address the length of time that alternate accommodation may be required. In addition to alternate accommodation, it should be important for the plan to identify the means of transportation that should be used necessary to evacuate a building due to fire or other emergency.

The relocation arrangements for the occupants need to address the length of time that alternate accommodation may be required. In addition to alternate accommodation, it should be important for the plan to identify the means of transportation that should be used and the agency that should be providing it. Always ensure that there should be sufficient transportation available. When considering the arrangements for the transportation of occupants, it should be important to recognize that in most situations it should be required on extremely short notice.

**The plan should provide clear instructions on:**
The action employees should take if they discover a fire:

- How people should be warned if there is a fire?
- How the evacuation of the workplace should be carried out?
- Where people should assemble after they have left the workplace procedures for checking whether the workplace has been evacuated?
- Fire-fighting equipment provided
- Identification of key escape routes, how people can gain access to them and escape from them to places of safety?
- Duties and identity of employees who have specific responsibilities in the event of a fire.
- Arrangements for the safe evacuation of people, identified as being especially at risk such as contractors, those with disabilities, members of the public and visitors
- Where appropriate, any machines/processes/power supplies which need stopping or isolating in the event of fire?
- Specific arrangements, if necessary, for high-fire-risk areas of the workplace
- How the fire brigade and any other necessary emergency services should be called and who should be responsible for doing this?
- Procedures for visioning with the fire brigade on arrival and notifying them of any special risks, for example, the location of highly flammable materials and
- What training employees need and the arrangements for ensuring that this training should be given?

**Single line drawing for larger spaces could show**

- Essential structural features such as the layout of the workplace, escape routes, doorways, walls, partitions, corridors, stairways, and so on (including any fire-resisting structure and self-closing fire doors provided to protect the means of escape)
- Means for fighting fire (details of the number type and location of the firefighting equipment)
- The location of manually equipment for the fire alarm operated fire alarm call points and control
- The location of any emergency lighting equipment and any exit route signs.
- The location of any automatic fire-fighting system and sprinkler control valve
• The location of the main electrical supply switch. The main waters shut-off valves and where appropriate, the main gas or oil shut-off valves.

• Fire Action Notices compliment the evacuation process. The Fire Action Notice may also incorporate a simple plan indicating the route to a safe place. Where appropriate, the notice should include a translation into other languages.

**Fire safety responsibilities**

• Establishing and posting the fire emergency procedures on each floor.

• Appointing, organising and training supervisory staff to carry out fire safety duties and emergency procedures.

• Scheduling and co-ordination of regular fire.

• Ensuring that fire hazards throughout the building are identified and eliminated or controlled.

• Providing alternate measures for fire safety during the temporary shutdown of fire protection equipment or systems.

• Completing the necessary checks, fire protection equipment tests. The drills building are identified and keeping records of all tests and corrective measures.

• Keeping adequate records of all training and fire safety delivered to occupants and staff.

**Auditing your building**

An audit of the fire safety systems, equipment and must include information on the following features:

• Fire alarm system

• Exit locations

• Fire department access

• Portable fire extinguishers

• Standpipe and hose systems

• Automatic fire pumps

• Automatic sprinkler systems

• Emergency power and lighting

• Voice communication

• Gas shut-off valves systems

• Smoke control measures

• Water supplies such as private and public hydrants

• Main power disconnects

• The audit should also include the following additional information:

• Description of building construction (combustible, non-combustible and so on)

• Building size by area

• Number of stores

• Number of resident rooms

#### 6.5 Fire Management Team

An effective Fire Safety Plan should depend upon the knowledge, experience and commitment of management personnel. Every Supervisor/Manager must have a clearly defined role and the authority to respond appropriately. All new staff MUST receive training in the Fire Safety Plan before responsibilities can be delegated. Training for all staff members must be organised and should be conducted at least annually. A fire management team requires the following staff:
Supervisory staff

- Assistant Security Officer (Fire Safety Officer)
- Head Guard
- Guards

Fire protection equipment

- Portable fire extinguishers
- Standpipe and hose systems
- Automatic fire pumps
- Automatic sprinkler systems
- Emergency power and lighting
- Voice communication
- Gas shut-off valves
- Smoke control measures
- Water supplies such as private and public hydrants
- Main power disconnects

The audit should also include the following additional information:

- Description of building construction (combustible, non-combustible and so on)
- Building size by area
- Number of stores
- Number of resident rooms

An effective Fire Safety Plan should depend upon the knowledge, experience and commitment of management personnel. Every Supervisor/Manager must have a clearly defined role and the authority to respond appropriately. All new staff MUST receive training in the Fire Safety Plan before responsibilities can be delegated. Training for all staff members must be organised and should be conducted at least annually.

### 6.6 Responsibilities of Fire Safety Officer and Supervisor

- Ensure a Fire Safety Plan should be developed and fully implemented. Ensure that the Fire Safety Plan should be maintained, updated.
- Ensure a sufficient number of alternates are designed and trained to act in a supervisory capacity, in the event that the appointed Supervisor/Manager is absent from the building.
- Ensure that all staff receives appropriate training in the use of existing fire protection equipment and actions to take when responding to a fire emergency.
- Ensure that fire drills involving all staff are held at least monthly. It should be advantageous to have these drills activated in various locations at different times. A sufficient number of fire drills must be held to ensure all shift workers participate.
- Adequate records of all staff training and fire drills must be kept for future reference.

**Supervisor**

- Identify and establish a plan for occupants who require evacuate, due to physical or mental disabilities.
- Ensure all hallways and stairways are kept clear equipment (such as appliances and tools used maintenance).
- Ensure stairwell doors and doors in other fire separations are kept closed except where approved hold-open devices are provided. Do not allow anyone to interfere with the self-closing device or any door.
Maintenance supervisor responsibilities to fire safety

- To ensure that all the responsible persons are in their locations like pump operator, DG operator, AC technician, and so on.
- If he is the senior-most at that particular time, he should like charge of the overall situation of the building and inform the seniors.
- Sending the personnel to the respective location to try to control the fire crisis.

6.7 General Fire Procedures for All Staff

If you discover a fire or smoke

Many facilities are using the acronym “REACT”, to assist staff in following the correct emergency procedures. The sequence of the steps in the acronym should vary depending upon the circumstances of the fire and the abilities of the responding individuals. For example, activation of the fire alarm could be the initial step upon discovery of smoke or fire, to alert other staff of the danger.

“REACT” upon discovery of fire or smoke

R emove persons in immediate danger, if possible
E nsure the door(s) should be closed to confine the fire and smoke
A ctivate the fire alarm system using the nearest fire alarm station
C all the fire department and/or notify switchboard
T ry to extinguish the fire or concentrate on further evacuation

If you hear a fire alarm alert signal

- Check your floor to make sure the fire is not in your area.
- If you see fires in your area “REACT” above Prepare for the assembly and relocation of occupants.
- Ensure that all of the occupants who require special assistance are prepared for relocation.
- Await further instructions.
- If assigned, assist in the relocation of endangered occupants.
- If assigned, meet arriving fire department and provide them with any necessary information (example, location of the fire if known, occupants needing assistance to relocate, and so on).

To handle an alarm condition

An alarm should be activated on some or all fire alarm hooters, buzzers and so on.

Determine if there is a fire: Buildings have a fire alarm annunciator located in the security control. The annunciator should indicate what area (or zone) of the building an alarm originated from. Investigate that area thoroughly and any other area that could be a source of an alarm, to determine if there is a fire.

If there is a fire, call 101, report the fire and leave the fire alarm sounding. DO NOT proceed with the silence or reset instructions below. If you are sure there is no fire and you are authorized, open the fire alarm control panel and press the button labeled “Signal silence/acknowledge”. Do not press the reset button at this time. Pressing the silence/acknowledge button “silences” or “acknowledges” an alarm condition. Usually only one press should be needed. If there is more than one alarm condition, it may be necessary to press the silence/acknowledge button more than once.

At the annunciator, write down the zone(s) that caused the alarm. If you are unable to determine the cause of the alarm, do not press the reset button in the fire alarm control panel. Call a service technician. In the silenced/ acknowledged mode only the zone(s) silence/acknowledged are silenced and disabled. In most cases, the rest of the fire alarm is working fine and can activate (signal) additional fire alarm conditions if it is detected.
If the Originating zone(s) were found, press the fire alarm reset button. Hold the reset button for 10 to 20 seconds. If the alarm resounds, start with item 1 above but do not attempt to reset. Call for fire alarm service.

To handle a trouble condition
A trouble condition indicates a problem (not an alarm) with the fire alarm system. As a life safety system, the fire alarm should be continuously checking itself to determine if certain keys are in proper working order. For example: the fire alarm continuously checks the wiring to most of all the fire system devices. If a problem is detected, then the fire alarm goes into “trouble”.

A trouble condition should be usually indicated by a loud high pitch buzzer at the fire alarm control panel and at the annunciator (if the system has an annunciator). Press the trouble silence/ acknowledge button in the fire control panel. Do not press the reset button because a trouble condition cannot be reset. In most of trouble conditions the fire alarm continues to provide protection to the building and its occupants. Contact service personnel to arrange for service of the fire alarm.

If you hear a fire alarm evacuation signal
• Relocate all occupants who are ill danger.
• Co-ordinate the assembly and relocation of all occupants.
• Await further instructions, if floor area is in no immediate danger.

Responsibilities during a fire emergency
• Ensure that the fire department has been called.
• Co-ordinate the evacuation, assembly and relocation of all occupants to safe areas of the building.
• Meet fire department and ensure that they have access to the building and are provided with master keys.
• Direct the fire department to fire alarm panel and central system and assist them with the operation of these systems.
• Co-ordinate the transportation of all occupants needed and their personal and medical records to other facilities, if needed.

Control room in-charge responsibilities during a fire emergency
• Notify the fire department after confirmation from CSO/ASO/senior-most staff member. Do not depend on the outside fire alarm or security agency to contact fire officials.
• Provide voice communication messages as instructed by the Fire Safety Plan, management and the fire department.
• Activate procedures to summon off-site to the facility. Assist with the evacuation, assembly and relocation of occupants, including arranging for alternate accommodation and transportation.

Night supervisor/head guard responsibilities during a fire emergency
• Undertake Owner/Facility Manager responsibilities if they are not on-site
• Supervise and direct the evacuation, assembly and relocation of all visitors and occupants
• Inform CSO, ASO and senior-most staff member by telephone
• Inform arriving fire department of any occupants, visitors or staff who requires assistance or rescue

Maintenance supervisor responsibilities during a fire emergency
• Meet arriving department
• Upon request, provide fire department with master keys for all areas and rooms in the building
• In large facilities, provide floor plans that show the locations of exits and all fire protection equipment
• Upon request, direct fire department to the location of the fire alarm and voice
• Communication systems, sprinkler system, control valves, natural gas shutoff valves and Hydro disconnects
• At the direction of the fire department, initiate any smoke control system, emergency power systems and fire-fighter’s elevators, communication system
• Be available to assist the fire department

**Sample responsibilities of staff members during a fire emergency**
• Follow the instructions of the PA system
• Help the customer to evacuate the building through staircases
• Help the response team to extinguish fire
• Inform the security for any emergency

**Control of fire hazards**
The Fire Safety Plan must contain information on the control of fire hazards. For example, everyone must be aware of the potential fire hazards that can exist throughout the facility. Therefore, it should be recommended that facility administrator / ASOs perform a weekly walk-through of the entire facility. The walk-through should include at least the common areas, stairwells, storage, electrical and furnace rooms of the building.

**Check the following to ensure that potential fire hazards are being controlled:**
• Smoking in facilities should be closely monitored. Smoking by staff, visitors and occupants should be restricted to designated areas.
• Smoking material, such as Cigarette butts and the contents of ashtrays should be disposed off with caution and never into combustible containers
• Restrict ignition sources in areas where oxygen is in use
• Never dispose of flammable liquids in garbage chutes
• Avoid unsafe cooking practices in kitchen areas, such as deep fat frying and/or unattended stoves
• Always keep storage, furnace and electrical rooms clear of combustible materials
• Do not store any materials or equipment in exit stairwells
• All personal electrical appliances used by the occupants must be monitored and must meet ISI Standards
• Do not wedge installed on them open any fire doors or disengage the closely self-closing device installed on them

**Note:** Ensure that visitors to the facility are familiar with the fire safety rules. Where practical, it should be recommended that a guest register be used to record visitors received by the occupants. The guest register should help to keep track of visitors at all times. The register should also be a valuable source of information during an emergency.

### 6.8 Fire Protection Equipment

• The ASO /Fire Safety Officer must do the following:
• Ensure that all fire protection features and equipment, such as fire separations, smoke control equipment, emergency lighting, fire alarm systems, automatic sprinkler systems, standpipe systems, fire extinguishers, fixed extinguishing systems, voice communication systems, firefighters’ elevators and emergency generators are checked, tested, inspected and maintained in accordance with the frequencies specified.
• Maintain records of all fire equipment tests and maintenance.
• The Fire Safety Plan must contain a detailed schedule or list of required checks, inspections and tests of all fire safety systems and features provided in the building. Instructions on the Use of Fire Safety Systems Provided in the Building.
**Instructions on the use of fire safety systems provided in the building**
- The ‘Fire Safety Plan’ must contain detailed instructions on the use of:
  - The voice communication system
  - The fire alarm system
  - Emergency power system (including the manual operation of the transfer switches, if applicable)

Alternate measures for temporary shutdown of Fire Protection Equipment or Systems, Supervisory staff shall be notified when the fire alarm or voice communication systems are shut down or temporarily out-of-service. This includes the shutdown of sprinkler control valves or fire protection water supplies for more than a 24-hour period.

To ensure that fire safety in the building continues under fire protection impairment conditions, a regular fire safety patrol of the building should be established until such time that the fire equipment or system should be repaired and returned to service. Persons conducting the patrol must be provided with a means of communication, should an emergency arise. Each tour of the building by the fire safety patrol must be recorded by time and date.

As well, any deficiencies noted and any measures taken to correct the deficiencies must also be recorded. Supervisors/Managers should always have designated alternates to ensure that an incident should be handled adequately in their absence. It should be necessary to appoint someone who is familiar with all of the procedures in the building’s Fire Safety Plan.

**Fire drills**
- Procedures for conducting fire drills should be implemented in the Fire Safety Plan and fire drills should be held at least monthly. The importance of being prepared has been stressed throughout this guideline. Due to the nature of the emergency actions required of the staff in a fire or other emergency situation, fire drill practices must become an integral part of staff preparedness.
- The purpose of a fire drill should be to ensure that the staff should be familiar with the building’s overall evacuation procedures.
- To maximise the benefits of these fire drills, they should be scheduled and rotated throughout the year in such a way that the personnel on all three shifts employed in the facility participate. Fire drills can be used to provide additional training for staff by allowing them to become more familiar with the use of the building’s fire safety systems.
- Supervisory staff should practice using the emergency voice communication system and other equipment, where applicable, during these fire drills to gain experience and confidence, it should be very important that all personnel with specific responsibilities attend a de-briefing meeting, following every practice fire drill. This meeting should be held to review the procedures and reactions of all participants.
- During the de-briefing, problem areas can be identified and, if necessary, solutions to overcome any deficiencies in the facility’s Fire Safety Plan can be discussed and corrected. The date and time of all fire drills, as well as the names of participating staff, should be recorded in the facility’s permanent logbook.

**Warning signs**
Warning signs indicating the direction of travel should be provided in the stairwell to prevent individuals from trying to evacuate to the roof. Signs cautioning individuals to use an alternate exit stairwell or find refuge in the nearest Suite/room if they encounter smoke within the stairwell should also be considered.

**Portable fire extinguishers**
Portable fire extinguishers enable suitably trained people to tackle a fire in its early stages, if they can do so without putting themselves in danger. All workplaces should be provided with means of fighting fire for use by people in the premises. When you are deciding on the types of extinguishers to be provided, you should consider the nature of the materials likely to be found in your workplace. The extinguisher kept at different locations must be checked from time to time, with their detailed inventory made with location installed for ready reference.
6.8.1 Fire Safety Committee

It is recommended that occupants should consider establishing a Fire Safety Committee. The committee should include representation from management, supervisory staff, and volunteers. The committee can assist management and supervisory staff in promoting the importance of fire safety planning and fire prevention. They can emphasize the need for regular fire drills and be key players in providing assistance to ensure that the facility has available and effective Fire Safety Plan.

The committee can also help to facilitate the delivery of fire safety education programmes to staff and occupants. The principle of getting people involved helps to promote the importance of fire safety, as it generates the necessary input from concerned employees, patients/resident relatives and volunteers.

Fire safety plan distribution/implementation

A copy of the plan must be made available to the following:

- Facility owner and facility manager
- Supervisor/Manager of administration staff
- Supervisor/Manager of maintenance staff
- Supervisor/Manager of house-keeping and

A copy of the fire emergency procedures and other supervisory staff duties, as prescribed in the Fire Safety Plan should be given to all supervisory staff. It may also be appropriate to have sections of the planned posted in staff work areas, lunchrooms and any information bulletin boards provided for visitors and occupants.

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Daily</th>
<th>Weekly</th>
<th>Monthly</th>
<th>Six Monthly</th>
<th>Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire Extinguishers</td>
<td></td>
<td>Check that it is located at right place and whether it’s clean or not</td>
<td>One fire extinguisher of each type to be selected at random and operate it for its performance.</td>
<td>Extinguishers checking-cleaning. Check refilling and inspection date.</td>
<td>Extinguishers hydraulically tested and refilled.</td>
</tr>
<tr>
<td>Co2 Type</td>
<td></td>
<td></td>
<td>Co2-weigh it. Oiling the valve opening/closing of control valve. Check horn and handle.</td>
<td>Co2-every 5 years.</td>
<td></td>
</tr>
<tr>
<td>ABC Dry Powders</td>
<td></td>
<td></td>
<td>ABC-check pressure gauge, check hose for any blockages, breakage.</td>
<td>ABC-Every 4 years.</td>
<td></td>
</tr>
<tr>
<td>Foam Type</td>
<td></td>
<td></td>
<td>Foam-check cartridge weight, brass, stir the solution.</td>
<td>Foam-every 2 years.</td>
<td></td>
</tr>
<tr>
<td>Fire hose reels</td>
<td>Visual inspection of hose reels. Check that stop valves to hose reel supplies are open.</td>
<td>Open the hose reels for checking cracks, water flow, Nozzle oiling and operation. At least 20% of the hose are checked so as to cover the complete reels Every 6 months.</td>
<td>Lubrication of shut-off nozzle and all joints.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire hydrants, rising mains and fire hoses</td>
<td>Check location for any damages/loss.</td>
<td>Hydrant pump and water supplies to be checked by basic run test.</td>
<td>Check all hydrants for sound condition and obstruction. Check that all stop valves are open. Greasing of hydrant valves and opening/closing for smooth functioning.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sluice valves, NRV’s and fire brigade inlets</td>
<td>Check all valves are in open position. Space in front of fire brigade inlets should be clear.</td>
<td>Checking of valve pits for cleanliness.</td>
<td>Brass cleaning, greasing, opening, closing for correct operation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Pumps</td>
<td>Check all pumps are on auto mode.</td>
<td>Basic run for smooth operation. Check leakages, motor guards. Alignment of pump and motor pressure.</td>
<td>Checking of gland packing, oiling/ greasing of shafts.</td>
<td>Checking of electric terminals, supply cables, pressure switches, relays for proper functioning. Replace the defective.</td>
<td>Full pump maintenance should be carried out at least annually in accordance with the manufacturer’s schedule.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>jockey pump, main pump</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fire Alarm Installations</th>
<th>Check control panel for status of each zone.</th>
<th>Operate at least one detector or call point per zone to test control equipment and alarm sounders. It should be carried out such that all the detectors are checked once in six months.</th>
<th>Test standby Power supply. Cleaning of detectors for dust. Cleaning of main and repeater panels.</th>
<th>Full function test of control equipment by the operation of A detector or call point on each zone. Test to be conducted on all alarm sounders, remote signaling and all ancillary function.</th>
<th>Each detector checked for correct operation. Visual inspection of all wiring and equipment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|---|---|---|---|---|

| Emergency lighting | Visual Inspection for function ability. | All system components should be inspected for correct operation. | Full test and Inspection programmes to be conducted. | | |
|---|---|---|---|---|

| Fire signages | Physical check for islocation | Cleaning for dust. | | | |
Check all doors for clearance, condition and correct operation. Push bar mechanism in case of automatic system. Release by access control to be tested. All fire doors and shutters to be inspected and maintained.

| Fire exits | Check all doors for clearance, condition and correct operation. Push bar mechanism in case of automatic system. Release by access control to be tested. | All fire doors and shutters to be inspected and maintained. |

### Table 6.1 Fire safety equipment inspection and maintenance schedule

#### 6.8.2 Inventory of Fire Equipments Required

**Fire extinguishers**

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Water-type Fire Extinguisher (Capacity 9 Litres.)</td>
<td>20 Nos.</td>
</tr>
<tr>
<td>2. Mechanical foam-type Fire Extinguisher (Capacity 50 Litres.)</td>
<td>20 Nos.</td>
</tr>
<tr>
<td>3. CO2-type Fire Extinguisher (Capacity 4.5 Kgs.)</td>
<td>20 Nos.</td>
</tr>
<tr>
<td>4. ABC-type Fire Extinguisher (Capacity 10 Kgs.)</td>
<td>05 Nos.</td>
</tr>
</tbody>
</table>

**Fire hydrants**

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Yard Hydrants (Single Outlet)</td>
<td>05 Nos.</td>
</tr>
<tr>
<td>2. Fire Hydrant Chambers (Double Outlets)</td>
<td>11 Nos.</td>
</tr>
<tr>
<td>3. Terrace Hydrant (Single Outlet)</td>
<td>01 No.</td>
</tr>
<tr>
<td>4. Fire Brigade inlet (Suction)</td>
<td>01 No.</td>
</tr>
<tr>
<td>5. Fire Brigade inlet (Discharge 4 in 1)</td>
<td>01 No.</td>
</tr>
<tr>
<td>7. Fire Hose (15 Mtrs.)</td>
<td>34 Nos.</td>
</tr>
<tr>
<td>8. Branch pipe (Nozzle)</td>
<td>17 Nos.</td>
</tr>
</tbody>
</table>
### Fire pumps

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jockey Pump (Capacity 15 HP)</td>
<td>01 No.</td>
</tr>
<tr>
<td>2</td>
<td>Hydrant Pump (Capacity 75 HP)</td>
<td>01 No.</td>
</tr>
<tr>
<td>3</td>
<td>Sprinkler Pump (Capacity 75 HP)</td>
<td>01 No.</td>
</tr>
<tr>
<td>4</td>
<td>Diesel Pump (Capacity 90 HP)</td>
<td>01 No.</td>
</tr>
</tbody>
</table>

### Fire detection system

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fire Panel (Addressable)</td>
<td>01 No.</td>
</tr>
<tr>
<td>2</td>
<td>Fire Panel (Conventional/Zonal)</td>
<td>03 Nos.</td>
</tr>
<tr>
<td>3</td>
<td>Smoke Detectors (Ionization type)</td>
<td>82 Nos.</td>
</tr>
<tr>
<td>4</td>
<td>Smoke Detectors (Photo-electric type)</td>
<td>05 Nos.</td>
</tr>
<tr>
<td>5</td>
<td>Heat Detectors (Rate of rise Temp. Sensor)</td>
<td>75 Nos.</td>
</tr>
<tr>
<td>6</td>
<td>Beam Detectors</td>
<td>08 Nos.</td>
</tr>
<tr>
<td>7</td>
<td>Manual Call Points</td>
<td>07 Nos.</td>
</tr>
<tr>
<td>8</td>
<td>Hooters</td>
<td>03 Nos.</td>
</tr>
</tbody>
</table>

### 6.8.3 Security Inventory

#### CCTV systems

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Camera (Fixed)</td>
<td>22 Nos.</td>
</tr>
<tr>
<td>2</td>
<td>Camera (Doom)</td>
<td>02 Nos.</td>
</tr>
<tr>
<td>3</td>
<td>27” Color Monitor</td>
<td>03 Nos.</td>
</tr>
<tr>
<td>4</td>
<td>17” Color Monitor (Samsung)</td>
<td>02 Nos.</td>
</tr>
<tr>
<td>5</td>
<td>CPU</td>
<td>02 Nos.</td>
</tr>
<tr>
<td>6</td>
<td>Keyboard</td>
<td>02 Nos.</td>
</tr>
<tr>
<td>7</td>
<td>Mouse</td>
<td>02 Nos.</td>
</tr>
<tr>
<td>8</td>
<td>Speakers</td>
<td>02 Nos.</td>
</tr>
<tr>
<td>9</td>
<td>Distribution Ampliphire</td>
<td>02 Nos.</td>
</tr>
<tr>
<td>10</td>
<td>Matrix</td>
<td>01 No.</td>
</tr>
</tbody>
</table>
Metal detectors

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Door Frame Metal Detector</td>
</tr>
<tr>
<td>2.</td>
<td>Hand-Held Metal Detector</td>
</tr>
</tbody>
</table>

Parking

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Security Cabin</td>
</tr>
<tr>
<td>2.</td>
<td>Parking Barriers (Automatic)</td>
</tr>
<tr>
<td>3.</td>
<td>Monitor (10”) (mono)</td>
</tr>
<tr>
<td>4.</td>
<td>CPU</td>
</tr>
<tr>
<td>5.</td>
<td>Keyboard</td>
</tr>
<tr>
<td>6.</td>
<td>Mouse</td>
</tr>
<tr>
<td>7.</td>
<td>Barcode Reader</td>
</tr>
<tr>
<td>8.</td>
<td>Ticket Printer</td>
</tr>
<tr>
<td>9.</td>
<td>Thermal Printer</td>
</tr>
</tbody>
</table>

6.8.4 Checklist for Emergency Evacuation Drill

Communication

- P.A. System in place
- Message for announcement
- Name of announcer
- Who should communicate the emergency to Emergency Control Room?
- Report of Emergency Control Centre that is Security to Emergency Controller
- Emergency Controller to decide evacuation

Maintenance team

- To be in communication with Emergency Controller
- To ensure that Access Control System should be deactivated
- All AHU to be closed
- To reach at site of fire with Fire Extinguishers.

Security team

- To inform the Controller
- To reach at the site of fire
- To inform the fire brigade
- To inform the doctor on call
- To inform ambulance. Please note that some of these jobs to be assigned to some one in case facility have only one or two security guards at a time.
Summary

• Three factors are necessary for fire ignition, namely, a source of ignition, fuel and oxygen.
• Naked flame, hot surfaces, mechanically-generated sparks and electrically-generated sparks are sources of ignition.
• The main source of oxygen for a fire is in the air around us.
• The mall internally should be supported with best system for fire-fighting with state-of-the-art technology, such as, intelligent-type analog addressable fire detection cum-alarm system.
• It is recommended that occupants should consider establishing a Fire Safety Committee. The committee should include representation from management, supervisory staff, and volunteers.

References

• Lougheed, G.D. & McCartney, C. Malls, sprinklers and smoke: is smoke in a shopping mall atrium more of a problem that we bargained for? Recent tests have been looking at the concerns[pdf]Available at: <http://www.nrc-cnrc.gc.ca/obj/irc/doc/pubs/nrcc45665/nrcc45665.pdf> [Accessed 4 Jan 2011].

Recommended Reading

Self Assessment

1. Which of the following is not a source of ignition?
   a. Naked flame
   b. Hot surfaces
   c. Mechanically-generated sparks
   d. Water

2. __________ help in controlling fire within a cabin or enclosed area.
   a. Sandbags
   b. Sprinklers
   c. Oil
   d. Oxygen

3. Fire drills should be held at least __________.
   a. bi-weekly
   b. fortnightly
   c. quarterly
   d. monthly

4. Air flow fall in two categories, namely, natural and __________.
   a. artificial
   b. mechanical
   c. man-made
   d. distilled

5. It is mandatory to provide a copy of the fire safety plan to __________.
   a. facility owner
   b. vendor
   c. suppliers
   d. guests

6. __________ indicating the direction of travel should be provided in the stairwell to prevent individuals from trying to evacuate to the roof.
   a. Warning signs
   b. Billboards
   c. Sensors
   d. Pamphlets

7. Which of the following equipment should be checked daily?
   a. Fire extinguishers
   b. Co2 type
   c. Foam type
   d. Fire hydrants
8. enable suitably trained people to tackle a fire in its early stages, if they can do so without putting themselves in danger.
   a. Portable fire extinguishers
   b. Fire drills
   c. Warning signs
   d. Safety plan

9. What can be used to provide additional training for staff by allowing them to become more familiar with the use of the building’s fire safety systems?
   a. Portable fire extinguishers
   b. Fire drills
   c. Sprinkles
   d. Warning signs

10. The Fire Safety Plan must contain information on the control of.
    a. fire extinguishers
    b. fire hazards
    c. hot surfaces
    d. fire hydrants
Chapter VII

Security Services

Aim
The aim of this chapter is to:

- introduce the importance of security services in a mall
- evaluate the design process in security management
- enlist the scope of security management

Objectives
The objectives of this chapter are to:

- elucidate the need of parking management
- explain the procedures of bomb threat treatment
- describe various responsibilities of security services

Learning outcome
At the end of this chapter, you will be able to:

- understand the evaluation of threat
- recognise various chief officials involved in the security services
- identify the method used during the time of emergency
7.1 Introduction

Security is and should be of prime consideration at any mall. The purpose of security should be to provide round-the-clock effective and efficient security to the mall to ensure safety to the occupants and visitors and to prevent unauthorized entry, theft, vandalism and damage. This would be attained through manned guarding, mobile patrols, alarm systems, CC1V’s and other security systems installed in the Mall.

The security should be developed keeping certain factors in mind, namely:

- Providing an enhanced security and comfort level to the visitors and the occupants.
- Guarding the property and people from natural and forced calamities such as earthquakes, fire, bomb threat or external miscreants.
- Security services can further be divided into three parts:
  - Security management
  - Parking management
  - Bomb threat procedures

7.2 Security Management

Security management is necessary to tackle any kind of emergency or attack viz. natural calamity or bomb threat. Top management at any mall give extensive consideration to security management so in the time of emergency, things could be controlled without any property damage and risk to life is minimised.

7.2.1 Design Process

A well-connected security programme has following three parts:

- **Personnel**: Personnel are staff members, management and line personnel who enforce the policies and procedures, administer and operate any security systems that may be present and respond as security-related events arise.
- **Policies & Procedures**: Policies represent the rules that govern the use of the building. Procedures are developed to support the policies. For example, hours of operation, credentials, freight, material shipping and receiving, moves, property removal and visitor handling are but a few of the activities to be governed by policies.
- **Physical Security**: Physical security includes both barriers (doors, windows, locks, key control, protective lighting and so on) and electronic systems. There are many electronic systems designed to deter crime, detect wrong-doers, provide a means of seeking help simply and quickly, assist in assessing alarms, provide a means of investigation in the aftermath of such occurrences and support policies and procedures.

General categories of electronic security include access control, alarm monitoring, CC1V surveillance, and audio assessment and intercommunication devices. Within these broad categories fall many technologies, sensors and systems that act as parts of an integrated system. Command and control may be centralized or distributed among multiple control points.
### 7.2.2 Security Deliverables

To cater these needs, the security needs to achieve certain key deliverables as mentioned below:

<table>
<thead>
<tr>
<th>Key deliverables</th>
<th>Specifications</th>
<th>Monitoring</th>
</tr>
</thead>
</table>
| Guarding property (exterior)  | Protect people and property from external miscreants.                        | • Deployment of security guards in and around the property who should work as the eyes and ears of the Mall Managers.  
|                               |                                                                               | • CCTV                                                                                               |
| Guarding property (interior)  | Protect people and property.                                                  | • Appointment of security guards at the entrance gate(s) and important locations of the mall.         
|                               |                                                                               | • Security alarm system.                                                                             
|                               |                                                                               | • CCTV                                                                                               |
| Traffic movement (vehicular/ pedestrian) | Efficient flow of traffic from the entrance to the basement parking and ground floor parking besides protection of the vehicles. | • Security guards equipped with vehicle checking instruments and trained in diverting the traffic supported by parking attendants.  
|                               |                                                                               | • Automatic parking system at entry and exit.                                                         
|                               |                                                                               | • CCTV in basement parking.                                                                          |
| Material movement (incoming and outgoing) | Control and restrict the movement of materials such as diesel, stock for shops, etc. | • Material incoming and outgoing register.                                                             |
| Fire-fighting                 | Trained manpower to prevent fire from spreading, to evacuate people safely and coordinate with fire brigade and police. | • Installation of fire detectors, sprinkler system, fire hydrants inside and outside the building.  
|                               |                                                                               | • Fire fighting training/ drill logbook.                                                              
|                               |                                                                               | • Fire extinguishers inspection logbook.                                                              |
| Emergency procedure (fire, bomb threat, earthquake, etc.) | Zero casually and safe evacuation of all people and important materials. | • Emergency evacuation plans at strategic locations and exits.                                      
|                               |                                                                               | • Signage’s showing the entry and exits, evacuation route, location of fire extinguishers and fire hydrants. |
|                               |                                                                               | • Do’s and don’ts for emergency situations.                                                           |
|                               |                                                                               | • Liaison with government, law and safety/                                                           |
|                               |                                                                               | • emergency officials.                                                                               |
| First-Aid                     | To cater for minor ointment and provide first aid.                           | • Keeping a log of all medicines                                                                    |

Table 7.1 Key security deliverables
7.2.3 Scope
Security has become an important issue. Thus, it carries a vast scope as it ensures the security and safety of the whole mall and the customers too. Following are the reasons responsible for the vast scope of security in mall management.

Coverage
The security personnel including Assistant Security Officers (ASOs) should be provided by the security agency which shall provide security-specific services in order to ensure the safety and security of the entire mall, including human life and assets.

- The coverage provides the security of the entire premises including the entire building, common areas, lobbies, corridors, roads, atrium areas, basement areas, stairways, driveways, common area toilets, passageways, service and utility areas and escalators, etc.
- The security agency shall provide service that shall be of the highest possible caliber. Security personnel shall be qualified, professional and supervised by knowledgeable, attentive management who shall be available on a 24-hour, 7 day a week basis.
- The security agency shall pay particular attention to his procedures for hiring, training and providing directions to the individual guards assigned to mall and workplace management to comply with intent. The aim of this to lay proper set of functioning parameters for security services.

Service standard
- The head security should implement the deployment, assignment and special instructions customized for each of the premises in the complex.
- Manned security personnel should be deployed to control and guide the users, clients, staff and visitors, 24 x 7 x 365, unless otherwise specified.
- All security personnel appointed shall be trained in security and safety operations such as basic fire-fighting, first-aid training, and so on.
- A central help-desk/control room to be setup. The same should be manned 24 hours a day, dealing with handling complaints of the clients/users/visitors sympathetically and providing assistance as necessary.
- Managing and maintaining all fire-fighting equipments and security equipments with proper inventory and history reports.

Schedule
Security services shall be provided all seven days a week Monday to Sunday on a 24-hour basis throughout the year.

Supervision
The security agency shall employ competent supervisory personnel in the buildings who should be capable of guiding the guards and other personnel on all critical issues as well as on the day-to-day functioning and should provide all reports required. The supervisor shall inspect the property on a daily basis, investigate all retailers’ complaints, report all items needing repair or maintenance and generally supervise the entire safety and security of the building. He should also ensure that all the guards report incidents, repairs needed or any other unusual or unsafe conditions they encounter at their designated areas.

Uniform and equipment
All Security Personnel shall be properly uniformed and display identification of their company at all times.
7.2.4 Security Organisation
For the security to be high standard, it is inevitable to focus on some of the important aspects, discussed as below:

Duties and functions
Security agency shall at all times maintain good order and discipline among its employees. In addition to the foregoing, security agency should perform the following functions and duties:

- Patrol assigned areas. Round-the-clock surveillance (Electronic/Manual)
- Operate radio-transmitting equipment
- Provide information to retailers’ employees, the public and other users and visitors of the building
- Prevent loss, damage or misuse of property
- City violators of vehicle parking policies
- Survey security and safety of property, its premises, contents, supplies and equipment
- Operate card access system/intruder alarm system, if installed
- Control removal of equipment from premises
- Assist in the evacuation of personnel. if necessary
- Ensure after-hours activity
- Report any unusual incidents or hazardous conditions
- Assist in fire life safety training and evacuation drills as directed by client and property manager
- Assist in the updating of building evacuation and emergency disaster plans as directed by client and property manager
- Assist fire department, medical services and police agencies as necessary
- Maintain and update the security logbooks, incident reports and surprise check details, attendance books and material movement and fire/life safety guidelines
- Any additional duties, which client, workplace management and contractor may agree upon from time to time.

Training
They should be given the training of the following issues:

- To understand the purposes and principles of the physical security system
- To guard duties and responsibilities
- To help in functioning of the security force
- Patrol procedures
- Package and material control
- Security communication
- Company rules, policies and procedures
- Report writing
- Lock and key procedure
- Fire and life safety policies and procedures
- Bombs, bomb threats, or other overt acts
- Public relations
- Records
Records and reports
Security personnel shall observe and report any unusual or hazardous individual conditions or events by means of immediate oral/written report to the security officer/property manager designated by workplace management. Such reports shall be submitted to workplace management’s representative, prior to the end of the reporting security officer’s shift, during which the incident occurred, or not later than 0900 hours, the first regular work day following the incident. Security agency shall submit weekly time-sheets showing date and time each guard worked. These weekly sheets must be received and verified.

7.2.5 Responsibilities
The responsibilities of various security officials are discussed as below:

Security Officer/Assistant Security Officer
- Security and safety of property and occupants of property by controlling and managing deployed security manpower.
- Ensure proper functioning of security functions like visitor movement, car park, material movement and so on.
- Training and conducting drills to make security and employees ready for any emergency.
- To prepare budget for security department.
- Ensure quality of staff, developing them to ensure maximum continuation.
- Good connection with local authorities.
- Should be able to attend to all problems related to police, all occupants of property, viz., minor brawls, drunken driving, accidents and limited follow with police for investigation.
- Should have capability to investigate incidences acting as a detective.
- Operation and maintenance of access control, CCTV’s and other security equipments.
- Liaison with local police and authorities.
- Parking management

Supervisor/Head Guard
- To supervise, the shift operations ensuring the absolute safety and security of the premises and reporting to security officer / ASO.
- To maintain the help-desk of the security department effectively.
- Detailing works to the security personnel’s and ensuring their positioning and placement.
- Monitoring and responding to installed security systems.
- Maintaining a log of occurrence.
- Control of vehicles and parking. Locking and unlocking of the premises as necessary.
- Maintenance of the security equipments.
- Direct and assist the visitors.
- Ensure that commercial house-keeping equipment should in good working order.
- To take charge of the situation, if he is the senior at that time. Ensure that all doors are kept open; there should be no obstruction on stairs path.
- Manage the evacuation procedure in the building.
- Sending the personnel to the respective location to control the fire/crisis.
- Help/guide the people to escape by his manpower.
7.3 Parking Management

It is a generally accepted fact that the entertainment or shopping experience for the modern consumer begins long before entering the stores. The first point of contact that a property has with the perspective client is the entrance of parking garage.

Almost no one comments or praises an ordinary or even above average experience in a parking lot. However, poor standards, long queues, poorly-trained staff and congested parking areas always cause a stir and can be a primary reason to shift to another complex.

A properly planned and efficiently managed parking lot can add immense value to a development as:

• Firstly, by attracting consumers to the centre and generating commerce for the core business and
• Secondly, by turning parking revenues into profit centre for the property through effective controls and fraud traffic management.

The various standards, which form an important part of the parking management, are discussed below:

Parking charges
The parking charges are decided according to the policy of the mall.

Cleaning of parking facilities
The house-keeping department should maintain the cleaning of the facilities, both externally and internally.

Traffic control
• Parking Facility: The parking attendants under the ASO shall be responsible for maintaining traffic flow within the parking facilities by directing patrons to available parking, preventing traffic delays and directing patrons away from areas that are full. This control may include closing entire levels or sections of the structures if necessary.
• Traffic direction: During very busy times, additional staff may be requisitioned to direct traffic within the structures and shall ensure that all ramps and cashier stations are being fully utilized. Liaise with local Traffic Police for assistance when required.

Exit lane procedures
There are various procedures, which should be followed while the exit of the vehicle from the mall. This is the responsibility of various officials as discussed below:

Designated parking attendant responsibilities
The designated guards shall check each open lane well in advance and the parking attendants are working in their full efficiency. Designated Guards shall document any unusual occurrences during these checks.

Lost tickets
• A flat charge should be levied for any lost ticket, regardless of the entry time.
• Authenticity of the lost ticket shall be determined by the designated guard (after approval of the ASO), as well as from the information obtained in the inventory of prior lost tickets.
• If a customer has claimed one lost ticket during the preceding month or three lost tickets during the preceding 90 days, he or she shall be charged more money, regardless of the excuse and a special notation shall be made on the lost ticket form.

‘0’ Charge tickets
The following categories of “0” charge transactions shall be permitted:
• Emergency Service (fire, police and paramedic) vehicles entering the parking structures
• Vehicles’ belonging to property’s approved repair
Emergency start-up vehicles
Tow trucks used to remove illegally parked and abandoned vehicles
When a ‘0’ charge vehicle enters the facility, it must take a ticket. Except in case of a life-threatening emergency, a “0” charge slip must be completed stating the name, affiliation, license number and reason for “0” charge. Cashiers, only with due approval of the ASO, shall process these as exceptional transactions. All other vehicles must pay the posted rates. These should be brought to the notice of the general manager of the mall.

Complaints
The ASO should be responsible for answering all complaints directed to it orally and in writing and shall respond in writing within 48 hours of receipt of the complaint. All complaints should be brought to the notice of CSO/GM mall.

Cash deposit
Cash build up in excess or every 6 hours or as agreed upon shall be immediately deposited to mall accountant/cashier.

Exit gate
Under no circumstances should the exit gate be opened manually without the permission of the ASO. Any exception should be submitted with the daily reports for the day to the CSO/GM mall.

Security
The security of the following particulars is required:

Receipts
All receipts collected are the responsibility of the parking cashier. Money received shall be deposited with the mall accountant/cashier. The parking cashier has the obligation to safeguard the parking receipts. The parking shall immediately inform ASO of any loss or theft of parking receipts.

Keys
The parking cashier shall exercise extreme care to assure that access of keys to the parking office and to various pieces of revenue control equipment are registered only to those personnel needing the keys to perform their duties properly. The parking cashier shall keep a log or master list, which has keys to which doors and pieces of equipment.

Tickets
The parking cashier shall be responsible for protecting all parking tickets, new and used, from theft or other misuse and shall be held accountable for all tickets issued.

New ticket procedures
Mall cashier shall:
- Order and receive all shipments of new tickets.
- Store tickets in a secure place in numerical sequence with only supervisory access.

Reports
All reports shall be completed using the prescribed designation for ticket and exit lanes.

Daily cashier shift reports
To be completed by the parking cashier within a 24-hour period. The Cashier report includes:
- Number and value of validations
- Number and types of exceptional transactions
- Actual number of tickets turned in
- Transaction of cash, checks and total deposit
- Cash deposits taken prior to shift end.
Daily master report
From the cashier shift reports, ticket reviews and deposits, one master report should be completed. That report includes:

- The total tickets collected and total rupee amounts of those tickets, including overall cash totals for the day.
- Total paid tickets, “0” charges, voids and lost tickets by facility and total rupee amounts, including total tickets by facility for the day, number of tickets in each price band, number and value of validations and average price per paid ticket for the day by lot.
- Total transaction counts
- Total amounts refunded and the reasons for the refunds
- Total revenues from daily and monthly permit patrons

Daily car counts
The parking cashier shall accurately account for the number of vehicles parked at opening time and closing time.

Ticket audit
The ASO shall audit a minimum of 30% of regular tickets for accuracy of data entry and correct tabulation in reports. New cashiers, suspect cashiers and cashiers who consistently make errors shall be extensively audited until accuracy can be assured. All non-routine tickets shall be audited, prior to submitting daily reports.

Records maintenance
The parking cashier shall retain copies of the above report for 90 days. The parking cashier shall complete a monthly report in a format developed, to be submitted with its billing. It should include at least the following items:

- Total monthly gross revenues
- Total tickets collected
- Revenue recap- revenue per day and tickets per day
- Profit and loss summary
- Opening/ closing accounts receivable balance
- Detailed receipts of expenditure
- Operations report- report on operations occurring per month (construction, customer incidents operations and personnel)

Procedures for audit
It is the duty of assistant security officer to perform the auditing operation. The ASO should be responsible for completing all the aforementioned forms and reports accurately. The audit process shall include the checking of all reports for accuracy and correcting errors. The auditing process shall be performed in different colour ink from that used during the preparation of the original report. The ASO shall audit a minimum of 30% of all tickets for accuracy, alteration and so on.

The ASO shall perform parking management audits without the knowledge of staff assigned to the parking at least twice each month. These audits should include tracing tickets through the system to ensure that charges have been handled correctly and accurately.

Accounting
The ASO cashier shall maintain original books/reports of entry. All records shall be available for inspection any time by the designated representatives of the management.
Cash receipts
All parking revenues should be deposited with the mall accountant/cashier. The daily cash report (DCR) should be a detailed breakdown of the various revenue sources generated through parking. These sources are monthly parkers if any (private and public), daily transient and other income which includes card deposits, lost card/ticket collections, and so on.

Budget procedures
A detailed budget shall be prepared for the parking management each year. The budget shall be in the same format as the monthly financial report, broken down by month.

Internal audit
An audit of the facility’s financial records and control system shall be performed by the company’s internal audit department. A written audit report should consist of audit findings and recommended actions to be taken.

Emergency procedures
These are the procedures, which should be used in case of following emergencies:

- Oil pilferage
  - Contact security.
  - Block off area with any available materials that won’t create a spark.
  - Attempt to catch leaking oil in a bucket or other container.
  - Prevent anyone from smoking in the area.
  - Put down oil absorbent to soak up the oil and prevent slipping (do not attempt to flush with water).
  - Accidental Injury or Very ill Customer or Employee
- Customer or employee- Security should be informed. Their known should be contacted and should be asked for any help. A brief statement, carrying their name and time, should be mentioned in the register.
- Burglary
  - Security should be contacted.
  - Physical contact to anything that may have fingerprints (door knobs, desk, and so on), should be avoided.
  - Police should be informed immediately and co-operate with the investigation.
- Mugging and/or Rape
  - Contact security.
  - Call the Police and request an ambulance, if necessary.
  - Victim should be claimed down and made comfortable.
- Earthquake
  - Raise the gate arms to exit traffic. Do not attempt to collect tickets or money.
  - Check elevators to see if operating/turn off.
  - Turn off any gas or water mains in the facility
  - Search for injured victims.

Keep on-site the emergency medical kit, extra supply of flashlight/batteries and battery powered radio.

7.4 Bomb Threat Procedures
In recent years, the use and threatened use of explosives in our society has increased at an alarming rate. The bomb threat is a serious public nuisance of modern times. The realisation that no one is immune to this form of attack necessitates that organisations prepare a plan of action to respond effectively. The problem can be minimised by proper planning and nomination of appropriate decision-making authorities.
When faced with a bomb threat, the primary concern must always be the safety of personnel. A comprehensive threat response policy is required to ensure the maximum margin of safety of all persons. This section has been prepared with this most essential criterion in mind. Basic guidelines are provided which should assist agencies in developing a procedure specific to their particular environment. Each agency requires a plan which should provide a thorough and efficient method of responding to the reception of threats or the location of unidentified suspicious items.

**Steps to be considered**

- Security: prevention
- Threat reception: information gathered and disseminated
- Notification
- Co-ordination: responsibility for all actions to be taken
- Threat evaluation: non-specific and specific threats
- Search procedure: floor wardens, search teams, control floor plans, reporting
- Locating unidentified suspicious objects
- Evacuation procedure: search of routes, partial evacuation, partial evacuation, reassembly, accounting for all evacuated personnel
- Re-occupation of building
- Training of essential personnel: prevention, operation.

**Security**
The first line of defense against bomb attack should be the fitting of appropriate locks and security devices including alarms, to entry/exit points so the premises are secure out of business hours. Restricting public access past reception areas and/or searching customers or clients are higher order levels of security which may be enforced should the level of risk warrant it. Controlling access to car parks can also be instituted. Good house-keeping both inside and outside the premises should further reduce the opportunity for an explosive device to be planted undetected.

**Threat reception**
Threats can take the form of a written message, telephone advice, word-of-mouth or suspect object found.

**Written threats**
It is important that every possible effort be made to avoid unnecessary handling of written messages so as to retain evidence such as possible fingerprints, handwriting and so on.

**Telephone threats**
An accurate analysis of the telephone threat can provide valuable information on which to base recommendations action and subsequent investigation.

**Word-of-mouth**
An accurate description should be made of the person including any distinguishing features.

**Suspect object**
A suspect object is any object found on the premises and deemed a possible threat by virtue of its characteristics, location and circumstances. More commonly, bomb threats are received over the phone. The following procedures can help the person taking a bomb threat call respond appropriately and should be prepared to obtain precise information if the information has not been volunteered, including:

- Remain calm. Be courteous and don’t interrupt the caller.
- The time the call was received and on which telephone number or extension. The exact words of the person making the threat should be recorded.
- Note whether the caller is male or female, an adult or a child. Note any accent or speech impediment or slurring of speech which could indicate intoxication or an unbalanced condition.
• Keep the caller on the phone as long as possible. Don’t hang up until the caller does. The phone company may be able to trace the call if you stay on the line long enough.
• If the switchboard or a Caller ID System displays the caller’s phone number, write it down.
• Ask questions to get information. Write all information down.

Try to find out:
• The location of the bomb
• The time of detonation
• What kind of bomb it is and what it looks like?
• Where the caller is?
• How the caller knows about the bomb?
• If the caller is familiar with the building?
• When the bomb is set to explode?
• Whether other bombs have been placed and where?
• Why the bomb was placed?
• Why did you place the bomb?
• What is your name?
• Inform the caller that the building is occupied and that the bomb could cause injuries or death.
• Listen for any background noises such as traffic, music or other voices and any caller mannerisms, voice characteristics or accents. Decide if the voice is familiar.
• After the caller hangs up, call your local emergency number and the owner or manager of the business in which you are working. Explain the situation.
• Do not use walkie-talkies, beepers or two-way radios during a bomb threat. Some bombs can be set off by these communication devices.
• The caller may provide specific information by answering these questions. To assist the person receiving the call, it is suggested a printed form be readily available.

Notification
Upon receipt of a bomb threat or discovery of a suspect object, the police should be immediately advised, but it should not be assumed that the police would conduct bomb searches. Planning for these emergencies should be done in conjunction with the police.

Co-ordination
In the event of a threat being received, the responsibility for all action taken should be in the hands of one person. The co-coordinator should be the CSO, or in his absence the ASO or someone in senior management. The responsibilities of the co-coordinator include:
• Devising and maintaining a search plan
• Devising and maintaining (or input into this process) the evacuation plan
• Assessing the long-term and short-term threat
• Making the decision to evacuate
• Making the decision to re-occupy
• Liaison with police
• Arranging staff training and security drills
Threat evaluation
Threats can be classified as specific or non-specific. The Co-coordinator should categorise the bomb threats as follows:

**Non-specific threat:** This is the most common type of threat, usually with little information given other than, “there is a bomb in your building.”

**Specific threat** This occurs when there is detailed information provided, which may include statements describing the device, why it was placed, its location, time of activation, and so on.

The non-specific threat is the more common, but neither can immediately discredited without investigation. Evaluation involves assessing one of four possible alternatives:

- Take no further action,
- Search without evacuation,
- Evacuate and search, or
- Evacuate (without search).

Specific threats should be considered more serious in nature, requiring a more concerted effort in the response. The non-specific threat, however, cannot be ignored. A policy must be developed to respond effectively to both threat levels.

Certain actions should be taken regardless of the threat category:

- Notify the police
- Notify your internal security
- Notify your management personnel
- Initiate the search procedure

Notification to police should be prompt, and include as much detail as possible. The person who received the threatening call should be available immediately for police interviewing.

The appropriate search procedure should be initiated. A search cannot be made effectively by police, as they are unfamiliar with the environment and cannot readily identify items that are foreign or out of place. Personnel who work in a particular area, or who are responsible for an area, provide a much more thorough search. A system which utilises the employees who are most familiar with what belongs where should be developed. Such a system should use volunteers.

Search procedure
The aim of the search is to identify any object which:

- Should not be there or is out of the ordinary
- Something that does not belong or cannot be accounted for
- Is out of place or
- Becomes suspect for any other reason example, suspiciously labeled similar to that described in the threat and so on.

On locating an unidentified or a suspect object DO NOT TOUCH IT OR MOVE IT.
Locating an unidentified suspicious package
When an unidentified object or package is found, the finder must not attempt to move or handle it. Notify the Central Control Centre and give the following information:

- Location of the object
- Reason(s) suspected
- Description of the object
- Any other useful information
- Evacuation intentions

Central Control centre should immediately notify the police, providing them with all available information. At this point, the police are directed to contact the Explosives Disposal Unit.

While awaiting arrival of the Explosive Disposal Unit, the control center should:

- Remove persons at risk.
- Establish perimeter control of the attempts to move the object. area and ensure no one approaches or
- Endeavour to establish ownership of the object. There have been instances where legitimate property has been left behind in error by innocent persons, prior to the bomb threat being received.
- Detail someone familiar with the building and the area where the object is located to meet the Explosives Disposal Unit personnel on their arrival.
- Continue your search procedure until all areas have reported to the Central Control Centre, as there may be more than one unidentified object.

Evacuation procedure
The decision to not evacuate, partially evacuate or commence a full evacuation should be determined by considering a number of factors, including perceived level of risk from information gained from the threat, the long-term risk associated with the nature of the premises and any current circumstances which may add to the risk factor.

When vacating, a quiet and systematic evacuation from the area should be conducted. Evacuation to a minimum distance of 300 feet in all directions as well as the area above and below should be carried out, giving regard to the type of building construction (thick walls glass) and the size of the suspicious package. Elevators should not be used to evacuate people under normal circumstances. A power failure could leave them trapped in a hazardous area.

Re-occupation of building
Re-occupation of the building is a decision, which is to be made by an appropriate company official. If the evacuation was made without a search, the premises should be searched before re-occupation.

Training
Any effective threat procedure must be accompanied with an adequate training programme. Training the essential personnel should encompass both the preventative and operational aspects of the procedure.
Summary

- The purpose of security is to provide round-the-clock effective and efficient security to the mall to ensure safety to the occupants and visitors.
- The security personnel including Assistant Security Officers (ASOs) should be provided by the security agency which shall provide security-specific services in order to ensure the safety and security of the entire mall, including human life and assets.
- The head security should implement the deployment, assignment and special instructions customized for each of the premises in the complex.
- The security agency shall employ competent supervisory personnel in the buildings who should be capable of guiding the guards and other personnel on all critical issues as well as on the day-to-day functioning and should provide all reports required.
- A properly planned and efficiently managed parking lot can add immense value to a development.
- There are various procedures which should be followed while the exit of the vehicle from the mall.
- Cash build up in excess or every 6 hours or as agreed upon shall be immediately deposited to mall accountant/cashier.
- All receipts collected are the responsibility of the parking cashier. Money received shall be deposited with the mall accountant/cashier.
- The ASO shall audit a minimum of 30% of regular tickets for accuracy of data entry and correct tabulation in reports. New cashiers, suspect cashiers and cashiers who consistently make errors shall be extensively audited until accuracy can be assured.
- It is the duty of assistant security officer to perform the auditing operation.
- The bomb threat is a serious public nuisance of modern times.
- Threats can take the form of a written message, telephone advice, word-of-mouth or suspect object found.
- A suspect object is any object found on the premises and deemed a possible threat by virtue of its characteristics, location and circumstances.

References


Recommended Reading

Self Assessment

1. Which of the following is not a part of a security plan?
   a. Personnel
   b. Policies and procedures
   c. Parking facility
   d. Physical security

2. The security agency shall employ competent ______________ in the buildings that should be capable of guiding the guards and other personnel on all critical issues.
   a. supervisory personnel
   b. security officer
   c. equipments
   d. security organisation

3. Which of the following is not a duty of a security agency?
   a. Operate radio-transmitting equipment
   b. City violators of vehicle parking policies
   c. Prevent loss, damage or misuse of property
   d. Operate the cleanliness

4. Which of the following is not the part of training given to the security officials?
   a. To guard duties and responsibilities
   b. To help in functioning of the security force
   c. Updating the building evacuation
   d. Lock and key procedure

5. Which of the following statement is false?
   a. Security personnel shall observe and report any unusual or hazardous weather conditions.
   b. Security agency shall submit weekly time-sheets showing date and time each guard worked
   c. Security agency shall at all times maintain good order and discipline among its employees.
   d. Security services shall be provided all seven (7) days a week

6. Which of the following is not a responsibility of security officer?
   a. Security and safety of property and occupants
   b. To prepare budget for security department
   c. To maintain the help-desk of the security department
   d. Parking management.

7. Which of the following is not one of the category of “0” charge transaction?
   a. Emergency Service
   b. Regular customer vehicle
   c. Vehicles’ belonging to property’s approved repair
   d. Emergency start-up vehicles
8. Which of the following do not require any security in the mall?
   a. Receipts
   b. Keys
   c. Tickets
   d. Reports

9. Which of the following statements is true?
   a. The first line of defense against bomb attack should be the fitting of appropriate locks and security devices.
   b. The first line of defense against bomb attack should be setting the alarm.
   c. The first line of defense against bomb attack should be informing the police immediately.
   d. The first line of defense against bomb attack should be vacating the area immediately.

10. Which of the following is not a duty of the co-coordinator in bomb threat management?
    a. Devising and maintaining a search plan
    b. Assessing the long-term and short-term threat
    c. Check the location of the bomb
    d. Liaison with police
Chapter VIII

House Keeping Services

Aim

The aim of this chapter is to

- introduce housekeeping services
- elucidate the scope of housekeeping services
- explain services standards

Objectives

The objectives of this chapter is to

- highlight the importance of housekeeping department
- explain quality measuring tools
- elucidate the guidelines to be followed to maintain specific standards

Learning outcome

At the end of this chapter, you will be able to:

- understand various strategies to organize projects
- explain the meaning and importance of housekeeping
- discuss the need for a well-planned quality system
8.1 Introduction

Housekeeping can be defined as management and maintenance of the property and equipment of an institution or organisation. House-keeping services is an important aspect of facilities and shopping mall management services, dealing with the health and hygiene of the occupants and needs due deliberation. House-keeping services deal with the upkeep of the areas, including common areas, parking, lavatories, and so on. Housekeeper is an employee of an establishment, such as a hospital, inn, or hotel, who performs or coordinates housekeeping tasks. In other words, we may also say that housekeeping is a process of keeping a place clean, beautiful and well maintained so that it looks and feels pleasant and inviting to all, living, visiting or working there.

Housekeeping services have been available commercially only recently. Here, organisations train the labor to do the household chores and then on demand or order they send their trained labour to specific places to provide housekeeping services. Depending on the firms, the payment is charged either on an hourly basis or daily basis. The advantage here is that the labour which comes to provide you housekeeping service is professionally trained. The housekeeping services have got a lot of scope these days. Their customers are usually big hotels, hospitals, party halls, malls, etc. In all these places cleanliness is a must. You find housekeeping staff working the entire day in these places and of course, in hospitals the housekeeping services are needed 24 hours a day and 7 days a week.

Every house, whether private, like yours, or commercial like offices, shops, hotels, hospitals, clubs, etc., needs to be kept clean and tidy, so that it looks inviting to all. This is where housekeeping comes in. Cleaning and maintenance services can be spotted very easily anywhere.

To cater to the client’s expectations, workplace management along with qualified housekeeping services provider, provides the global standards services with quality measuring tools such as SLA’s (Service Level Agreement) and KPI’s (Key Performance Indicators).

8.2 Scope of Service

Housekeeping services provide cleaning services of a character customarily provided in star hotels/ big business houses and maintain the hygiene standards of the complex. Scope of services includes the upkeep of the following areas:

- Common areas such as stair case, corridors, Electrical Rooms, Toilets
- Terrace
- Lavatories
- Landscaping
- Water drains
- Parking
- The contractor should provide clearing services keeping the hygiene and cleanliness in mind.

8.3 Service Standards

Service standards are encompasses the following:

Coverage: All common areas, such as, lobbies, corridors, stairways, lavatories, passageways, utility areas, landscaping and mechanical areas including the equipment are to be cleaned.

Quality: To maintain the highest standards, a well-planned quality system should be developed with customised checklists. The starting point in the process is the service standards and KPI’s set out in the shopping mall management contract between the client and workplace management. These service levels set the minimum standard that is to be achieved through the service delivery period. These central standards form the nucleus of the monthly management issued to the clients against which all standards are measured.

Irrespective of services mentioned above in scope of work or special services requested, client/occupants along with the property manager are the sole judges of the quality standards and required frequency of services to be provided.
Given below are a few guidelines to be followed to be able to maintain specific standards:

**Entrances and lobbies:** The frequency with which lobbies are cleaned depends a lot on the weather and traffic. Mud tracked in during the rains can deteriorate floors/floor coverings. Runners or mats kept at the entrances pick up dirt. Cleaning duty performed in lobbies (hourly) includes wiping of smudges, fingerprint on all glasses/mirrors and other polished surfaces, sweeping/swabbing of floors. The (daily) routine furniture, walls includes cleaning floors, ceilings, furniture, telephones and other fixtures and embellishments. Weekly performed tasks typically include vacuuming of the furniture, scrubbing of floors, walls and other hard to reach areas behind carpets.

**Corridors and staircases:** Besides cleaning the floors, walls, cobwebs and railings, attention should also be given to the doors, light fixtures and fused bulbs, air supply vents and sprinklers, cameras. The walls should be cleaned for smudges, fingerprint and skirting for the scuff marks.

**Elevators:** Hand rails, control panels, doors, glass, mirrors, brass, steel surfaces should be carefully cleaned, polished, shined regularly and buffed repeatedly to be kept shining and free of fingerprint, smudges, streaks, etc. Door tracks should be carefully brushed to be dust-free. Floors should be swabbed/vacuumed as and when needed depending on the traffic.

**Public restrooms:** Restrooms should be cleaned and disinfected as often as possible depending on the traffic. This keeps them clean and maintains a pleasant appearance.

**Parking lots:** Floor area should be swept daily. Cobwebs should also be dealt regularly as they tend to form very quickly in these areas. The gates, gate closers and areas around these should be kept clean. Care should be taken to pick up litter more often. The pipes going through the parking areas should be dusted every ten days or so because there is a lot of dust in the parking bays with cars going in and out all day long.

**Plant room:** All engineering plant rooms should be kept very clean. Grease and oil spills must be removed immediately, as dust tends to settle and make it look filthy. Not only that, grease tends to seep into the flooring gradually over a period of time and then nothing can be done to remove the stains.

**Administrative offices:** The offices should be swept and swabbed daily. All desks, chairs, telephones, dustbins, blinds and fittings should be cleaned everyday. Thorough cleaning should be done weekly.

**Pantries:** Pantries should be cleaned weekly.

**Staff toilets:** It should be cleaned and disinfected at least twice daily.

**Stores:** The stores should be kept clean and hygienic. Anti-fungal/bacterial treatment should be done by monthly or as when required.

### 8.4 Quality Measuring Tools

Some of the quality measuring tools are detailed below.

**Service Level Agreement (SLA)**

Service level agreement is a very important tool to monitor work done or services provided to the utmost level of satisfaction and comfort. The basic purpose of developing this service level agreement is to set out certain service standards which can hold well with certain modification globally. The ability to offer a consistency comes from high quality service, well-established practice of working within service level agreements (SLAs). These are applied equally to service providers, management and employees, as a result every member of the client team, from management to site based customers can rely on an agreed level of service.
Key Performance Indicator (KPI)
The actual level of service delivered within each SLA should be determined using key performance indicators, which provide an unambiguous measure such as the frequency, type or services provided. Within the KPI, performance can refer equally to the speed and the reliability of service. Client/occupants along with the property manager are the sole judges of the said quality standards and required frequency of services to be provided.

8.5 Importance of the Housekeeping Department
The first impression that a customer forms about a professionally managed property depends largely on the cleanliness and order of the property’s public areas. This addresses the cleaning responsibilities of the housekeeping department in relation to the public areas such as entrance, lobbies, staircases, elevators, restrooms, cinema halls and the facade of the building. Cleanliness and the condition of the public areas are a reflection on the standards of what people can expect in the offices and premises.

- Housekeeping is the department that deals essentially with cleanliness and all ancillary service attached to that.
- The standard plays an important role in the reputation of the malls. One feels comfortable only in the environment which is clean and well ordered, so cleanliness is important for health foremost also for well being.
- Shopping malls is the most revenue generating factor in Retail these days, the housekeeping department plays an important role.
- Malls offer customers the choice of specialty restaurant, coffee shops etc, which generates the revenue of the malls.
- Housekeeping is the department determines to a large extent whether customers are happy during their visits to malls.
- The customer satisfaction is the primary object and the hygiene factor must always be present in the shopping malls.

8.6 Personnel Involved in Housekeeping in Commercial Establishments
In most commercial organisations, the responsibility of housekeeping is assigned to a person called a housekeeper. She or he is responsible for upkeep and maintenance of the premises. Depending on the size and type of organisation, there may or may not be a separate section meant to look after various aspects of housekeeping. A small shop may depute a single person to look after these aspects. Yet bigger offices, commercial establishments, guest houses, hotels, hospitals, hostels, clubs usually organise a group of people to look after their housekeeping. These groups of people constitute a housekeeping department. Some establishments may also seek outside help and make use of certain agencies which specialise in such kind of work.

Wherever there is separate housekeeping department a proper organisational structure is necessary with different kinds of people responsible for different tasks and some people to supervise them. Let us now discuss the duties and responsibilities of each of them individually.

Housekeeper The housekeeper is the overall in-charge of the housekeeping department. He or she directly controls all the personnel as well as all aspects of housekeeping. She/ he is responsible for the cleanliness, beautification and maintenance of the premises.

Assistant housekeeper He or she is responsible for all the aspects similar to that of the housekeeper. In case the organisation works round-the-clock, there may be more than one assistant housekeeper to work in different shifts. Housekeepers / assistant housekeepers are in turn assisted by the following members. These members also have workers to assist them.

Control desk supervisor: This person communicates with the staff and coordinates with various departments of the organisation. He becomes the centre point of all messages, complaints etc., and also keeps records of what work has been assigned to whom and maintains the general follow-up of the same.
**Floor supervisor:** For multi-storeyed buildings, each floor is attended by a floor supervisor. He/she is responsible for the cleanliness and maintenance of the assigned floor, which includes rooms, corridors, rest rooms, stair case and so on for jobs like changing or repairing lights, switches, and so on.

**Public area supervisor:** He/she is responsible for cleanliness and maintenance of waiting halls, lobby, conference/seminar room, recreation rooms, parking area, clubs, offices and so on.

**Cloak room in-charge:** He/she is responsible for the maintenance and service of common toilets.

**Horticulturist** He/she is responsible for all the floral and plant decoration as well as the upkeep of gardens in the premises.

**Skilled workers:** Skilled workers like plumbers, electricians, carpenters, painters are needed to do minor repairs. There may be a separate department for maintenance and engineering work and the housekeeping can coordinate with it to do these jobs. These services are to be rendered with the highest degree of efficiency. Besides this efficiency, housekeeping should also contribute to the saving in costs of labour, cleaning material and equipment, furnishings and the like in every type of establishment.

**Grooming of personnel involved in housekeeping**
A well-groomed personality projects a good image and speaks well of hygiene and efficiency. As far as possible, personnel involved in housekeeping should be:

- fresh, well groomed and clean, not half asleep or unkempt in appearance while reporting on duty
- have their hair neatly cut and tied properly
- have nails neatly trimmed
- dress in simple, clean and well ironed clothes
- avoid rings or other jewellery
- use light makeup, in case of women
- use footwear that is light, without heels and noiseless
- be healthy and not suffer from any skin disease, colds and so on
- avoid bad habits such as nail biting, nose picking, leg shaking, sitting on work table, spitting, chewing pan, smoking, and so on
- bathe daily
- If these hygienic standards are not maintained, it can spoil the reputation of the organisation.

**8.7 Organising Project**
The organising project is an important aspect so as to add discipline and a proper function to the housekeeping environment. Following are the steps used to organise any project in the shopping mall:

- Prepare an area chart. This should help to organise the duty schedules.
- Prepare job descriptions for each person in the department, right from the supervisor to the houseboys. The concerned people should be made to understand all that should be detailed therein and their individual job descriptions.
- Divide the area according to each person has to handle and attend to.
- Prepare a list of all tools and equipment required for the project, along with a responsibility chart for the same. Whenever any item is issued for any work, it should be given a specific person’s name, who should sign for it in the register kept for this purpose. This should help to keep control on the items used.
- Designate the person in-charge, who should handle the consumables and estimated budgeted usage. The estimated usage has to establish as exactly as possible to avoid pilferage and wastage, as these items are very expensive and have to be used sparingly due to high dilution needed to make them effective.
• Pay special attention to one project everyday which shall be the job that should be paid special attention to, beside all the routine works for all the days of that week.

• Briefings are important and need to be given to the staff every day.

• For creating the right impression it should be imperative that the staff should be smartly turned out. During briefing, it must be checked if the people on duty are neat and presentable in their respective clean uniforms.

• A concise weekly report of the briefings conducted daily has to be sent to the corporate head of house-keeping to appraise the management of the activities in the unit.

• Any material other than that recommended needs to be approved corporate head of the department before it should be purchased.

• Mop all the floors with plain water. Do not add anything other than the recommended disinfectant. Even linoleum and rubber floors get damaged with frequent use of any detergent.

• House-keeping boys must carry caddies with all the material required for their specific work/areas while working in the premises. They must wash dusters and mops and spread them out before signing off every day, so that they get clean before the next morning.

• A register must be carried by the house-keeping manager at all times, on their rounds of the premises and signed by the house-keeping in-charge at the end of the day.

• The checklist (annexure) has been planned in a specific manner to make the house-keeping job easier and more organised. These are very detailed formats so as to ensure that nothing gets left out. It should be, therefore, imperative that this is painstakingly filled out each day.

• Different areas have been given a specific serial number in the checklists. These numbers must be kept the same in all the house-keeping lists and other references. For example, if serial number 1 should be the main lobby in the daily checklist then in all the lists/schedules made for the housekeeping department, # 1 should always denote main lobby. There is a checklist is difference between the checklist and the daily register. This is to ensure compliance of daily chores, whereas the register is meant to record complaints and extra or special jobs done or to be done as the manager proceeds on their rounds. Complaints recorded here are meant for the engineering department and should later be written on the proper Complaint format and sent to them.

• If the register is maintained up-to-date then any person can go through it to follow-up pending jobs/complaints at any time. It makes it easier to delegate or decentralise and control the work.

8.8 Handling Complaints

• All complaints must be made to the engineering department in the proper printed format available in duplicate. The first copy of the form is send to the engineering department after all the details have been filled in.

• The master copy must be available with the suite manager at all times for inspection by the concerned authorities.

• These records must be available with the site manager all times for at inspection by the concerned authorities.

• These records are necessary to be maintained especially for the ISO 9000 certificate. It should be a company stipulation.

• It makes it simpler to follow up a complaint that has been forwarded in the proper manner.

• It has to be noted in your daily register.

• A copy of the same should be with the engineering department and one copy should be also available with the site manager for any follow-up that may be required.

• One should not depend on verbal requests. There should always be some regular document to support your case.
8.9 Lost and Found

If something is found lost or left over by a visitor or office staff, it should be immediately informed to the supervisor. The article found should be handed over to the same. It should further be recorded in the register in a proper format. Further, the information should be circulated so that the owner can claim it.

8.10 Duties of Guards

- If a purse or wallet is found, then the guard should witness a search of the items by CMO, to identify the owner and verify the amount of cash within the item. If an item is collected after-hours, it should be taken to the Security Office and placed in the safe. Details should be recorded by security and if money is found then two guards should count, sign off and verify the find.
- Any item not collected within 4 months should be returned to the person who handed the item.
- Items found by tenants and employees within the Centre should be handed over to security, then to the CMO for an announcement to be made over the PA system.
- A lost and found register should be maintained in the given format and kept in the custody of the housekeeper.
- The guard should put this information on the notice board for six months after finding it.

8.11 Safety Rules

Safety can never be over-emphasized in working in high-rise/high-tech buildings. Employees should observe all safety rules and regulations on the job. Any accident/ injury should be immediately reported during the work. The area of work should always be clean. The equipments should be kept at safe place after use. Gloves, goggles and masks should be used while handling chemicals or other strong substances.
- Electric cords should not be left around for someone to trip over. All unsafe conditions and practices, faulty equipment, overloading, torn or loose carpets should be reported for corrective action to the supervisor immediately.
- Chemicals should be kept away from heat, sparks and flame. It should not be exposed to the sun. If contacted with eyes/skin, splash cool water. Should call a physician, if irritation persists.
- The safety manuals should be consulted and memorized thoroughly so as to tackle the unwanted situations.

8.12 Personal Hygiene and Staff Discipline

Since every person in a uniform is a representative of the organisation; it should be very important for him or her to present the right kind of image, especially since the firm is associated with keeping a place clean and maintained to international standards. It becomes the duty of the senior officials in-charge of the unit to see to it that their staff is smartly turned out at all times. They can be advised and then reminded time and again to strongly value personal hygiene.

They should further be reminded of the following disciplinary points:
- Always report on duty at least 30 minutes before the stipulated time, so that they can change into their uniforms.
- Unnecessary moments such as running and jumping should be avoided by the staff members.
- Do not allow the equipment and material to remain scattered all over the floor.
- Do not argue with the clients in any event.
- Any abnormality/loss or damage should be reported immediately to the supervisor.
- The argument with the client should always be avoided in any circumstances.
8.13 Guidelines to Motivate Staff

The staff should know that the work they do is important because this should be the primary business in that of house-keeping. They must take pride in the work. Once a person is proud of the work he does, his output improves. The spirit of give-and-take must be developed because when there is teamwork in the unit, work progresses more smoothly and efficiently.

- It is essential to see that right from the beginning, the staffs follow the supervisor’s instruction to the ‘T’s’ for which the supervisor must be organised. In following an organised routine, the firm actually saves time and the staffs develops a kind of confidence and regard when they see prioritised instruction, instead of running around in circles and planning as you go along.

- Since servicing the offices/malls/cinemas, etc. is a time-bound exercise, it becomes imperative that every person has a task to do and some results to show for which he should earn application. Personnel without individual goals can never comprehend the organisational goals. For them to improve upon their own contribution to the individual and organisational growth, the firm has to set them tasks and goals to help evaluate performances.

- Shared responsibilities never show the true performance because no one in particular should be really held responsible nor should be individually appreciated.

- To take ownership of the property and the developments therein. They have to be reminded of all things, like, even right down to the point that their appearance adds value to the image of the organisation.

- Daily briefings are very important because that is the time one can talk of all these matters in a congenial manner instead of complaining later.

8.14 Routine for Office/Cabin/Enclosed Area Cleaning

Following is the routine for office/cabin/enclosed area cleaning:

- Knock softly but audibly, announcing personnel and mission. Wait for 10 seconds and repeat if no reply is found. In case you still do not get any response, open the door to the enclosure, announcing who you are and seeking permission for entry. Follow the procedure even if you know that the cabin is empty.

- The door of the cabin in which any maintenance or cleaning activity is being carried out should be kept wide open.

- If the office staffs come, while the attendant is still working, he should ask if he may continue or come later.

- All the waste bins must be emptied into a garbage bag. The staff should be advised not to put their hands into the dustbins to avoid being harmed by discarded sharp or broken objects and also to avoid dirtying their hands more than is necessary. Also ensure that no personal objects go into the garbage.

- Ashtrays should be cleaned, washed and replaced, so that smouldering butts go into the garbage bags.

- Check all lights, A/c vents and report defects to the supervisor.

- Carpets are cleaned by either vacuuming or brushing. If being brushed, it must be done right at the start of the cleaning process. Cleaning of the carpet must always be started from its farthest end.

- Dusting should be started from top to bottom and from one end of the room to the same end of the room in either a clockwise or anti-clockwise direction.

- Care should be taken to clean the glasses, mirrors and other surfaces in the prescribed manner.

- Care should also be taken to clean under the tables, chairs, telephones, etc.

- All doors/windowpanes and frames should be doors and windows should be also be kept clean.

- Do not reshuffle any papers lying on the table top.

- Do not open any drawers or filing cabinets. But do shut the tops of piles of papers/files or books. Whatever you pick up for dusting underneath, must be replaced in exactly the same manner and in the same spot.

- Though the job to ensure the working of the electrical equipments is of electrical department, but the house keeping department must ensure that the work is done.
8.15 Routine for Cleaning Toilets
Routine for cleaning toilets are given in detail below:

- Remove all tissue boxes, toilet rolls and hand towels so that they do not get wet while you are cleaning the area.
- Clear out the dustbins/sanitary buckets and disinfect them with recommended material.
- Clean from top to bottom and in one direction, clockwise or anti-clockwise.
- Clean the washbasins with recommended chemicals.
- The counter should be cleaned with a neutral cleaning solution, in the case of stubborn stains, clean with Colin, sparkle or any ammonia-based solution.
- Clean the urinals with cleaning solution and brush.
- Clean the w/c as per the standard operating procedure. Ensure that no cleaning solution used for cleaning the interiors of the w/c are allowed to fall on to the flooring, which might be harmed.
- Wash the seat and seat covers.
- Buff all the chrome fixtures with a dry cloth so that no watermarks remain.
- Wipe the tiles/walls with a damp duster and treat for stains. Buff with a dry cloth to remove any streaks left.
- Check all fittings while working to ensure proper functioning. If not working properly, inform the supervisor and follow-up. If any mess is left by the mechanics, clean up immediately and bring it to the notice of the supervisor.

8.16 Cleaning Directions
Do’s:

- Use repeated applications of weak solutions instead of one strong one.
- Test cleaning agents on hidden or non-prominent areas.
- Work from outer periphery of stain persists.
- Sponge, blot or rinse as the case may be after completing process.
- Use lather if using detergents on carpets/upholstery.
- Dry carpets outside or list off floor to dry inside.

Don’ts:

- Pour cleaning agents directly onto the surface.
- Over-wetting fabric or rub too hard.
- Experiment.
- Let cleaning agents touch backing of the carpets.
- Use household detergents directly on carpets/upholstery.
- Leave cleaning agents on any surface.
- Use dirty dusters/mops.
- Talk amongst yourselves loudly in public areas.
- Run in public areas.
Summary

- House-keeping services is an important aspect of facilities and shopping mall management services, dealing with the health and the hygiene of the occupants and needs due deliberation.
- Housekeeping services provides cleaning services of a character customarily provided in star hotels/big business houses and maintain the hygiene standards of the complex.
- To maintain the highest standards, a well-planned quality system should be developed with customised checklists.
- Cleanliness and the condition of the public areas are a reflection on the standards of what people can expect in the offices and premises; hence, housekeeping department plays a crucial role.
- All common areas, such as, lobbies, corridors, stairways, lavatories, passageways, utility areas, landscaping and mechanical areas including the equipment are to be cleaned.

References

- *Cleaning Canvas Awnings at a Shopping Center Dallas Fort Worth TX DFW*. [Video Online] Available at: <http://www.youtube.com/watch?v=UV-3w_qAGKM> [Accessed 19 January 2012].

Recommended Reading

Self Assessment

1. ________ deals with the decorations of floral patterns and gardens.
   a. Cloak room incharge
   b. Desk supervisor
   c. Floor supervisor
   d. Skilled worker

2. Which of the following statements is true?
   a. Control desk supervisor takes care of the cleanliness of washrooms.
   b. Control desk supervisor communicates with the staff and coordinates with various departments of the organisation.
   c. Control desk supervisor takes care of gardens and floral decorations.
   d. Control desk supervisor takes care of minor fittings and fixture work.

3. __________ is responsible for the maintenance and service of common toilets.
   a. Cloak room incharge
   b. Desk supervisor
   c. Floor supervisor
   d. Skilled worker

4. __________ is a very important tool to monitor work done or services provided to the utmost level of satisfaction and comfort.
   a. Key performance indicator
   b. Service level agreement
   c. Top level management
   d. Key level agreement

5. Who has the overall charge of the housekeeping department?
   a. Assistant housekeeper
   b. Floor supervisor
   c. Housekeeper
   d. Guard

6. Which of the following trait is must for the housekeeping personnel?
   a. Personal grooming
   b. Untidiness
   c. Unkempt
   d. Beauty

7. As a disciplinary measure, staff should report on duty at least ______ before the stipulated time, so that they can change into their uniforms.
   a. 15 minutes
   b. 45 minutes
   c. 30 minutes
   d. 40 minutes
8. Which of the following statements is true?
   a. Use one strong solution instead of repeated applications of weak solutions.
   b. Do not test cleaning agents on hidden or non-prominent areas.
   c. Work from outer periphery where stain persists.
   d. Do not sponge, blot or rinse after completing the cleaning process.

9. Which of the following has become very important for facilities and shopping mall management services?
   a. Housekeeping services
   b. Merchandising
   c. Branding
   d. Supply chain

10. The door of the cabin in which any maintenance or cleaning activity is being carried out should be kept 
    ________
    a. closed
    b. locked
    c. partially open
    d. wide open
**Case Study I**

**Port Centric Warehousing Strategy for a Leading Indian Logistics Service Provider**

We created a port centric warehousing strategy to position our client a leading player in end-to-end 3PL space and achieve a revenue target of INR500 crores in 5 years from warehousing. The estimated payback period on the investment is 4.5 years.

**Background**

The client is leading freight forwarding and contract logistics service provider in India. They have industry level expertise in Freight forwarding, project logistics and customs clearance.

**Business scenario**

- The client is looking to become a globally renowned end-to-end logistics service provider and supply chain partner.
- The client wants to invest in value added port centric warehousing, which complements its existing freight forwarding business, and which is also an important component of its end-to-end value proposition.
- A strong India growth rate has also created unforeseen opportunity in port centric warehousing that needs to be addressed.

**Our solution**

We adopted a systematic and methodical approach to address the opportunity

- Customer need identification,
- Industry opportunity identification
- Current state of the market
- Competition landscape
- Aqua’s positioning and value proposition
- Investment and ROI assessment
- A detailed warehousing locational strategy, target industries and services and rollout plan was created.

**Benefits**

- Value based warehousing strategy defined, and implementation plan was created.
- ROI assessment helped in justification of business and investment plan - 10 year NPV of 496 crore Payback Period of 4.5 year.


**Questions**

1. What are the future plans of the client of the company mentioned in the above case study?

**Answer**

The client is looking to become a globally renowned end-to-end logistics service provider and supply chain partner. The client wants to invest in value added port centric warehousing, which complements its existing freight forwarding business, and which is also an important component of its end-to-end value proposition.
2. What solution is given for fulfilling the future plans of the clients?

**Answer**

We adopted a systematic and methodical approach to address the opportunity

- Customer need identification
- Industry opportunity identification
- Current state of the market
- Competition landscape
- Aqua’s positioning and value proposition
- Investment and ROI assessment

A detailed warehousing location strategy, target industries and services and rollout plan was created.

3. Give an overview of the client’s background as mentioned in the case study.

**Answer**

The client is leading freight forwarding and contract logistics service provider in India. They have industry level expertise in freight forwarding, project logistics and customs clearance.
McDonald’s Food Chain
McDonald’s is a fast food chain with restaurants all over the world. It serves burgers and other fast food. It remains consistent in terms of cost and quality of burgers. To meet such high standards, it was essential to have an excellent supply chain management system.

McDonald’s was started as a drive-in restaurant by two brothers, Richard and Maurice McDonald in California, US in the year 1937. The business, which was generating $200,000 per annum in the 1940s, got a further boost with the emergence of a revolutionary concept called ‘self-service.’ Prices were kept low. Speed, service and cleanliness became the critical success factors of the business. By mid-1950s, the restaurant’s revenues had reached $350,000. As a result, franchisees started showing interest. However, the franchising system failed because the McDonald brothers observed very transparent business practices. As a consequence, imitators copied their business practices and emerged as competitors.

In 1996, when McDonald’s entered India, Mumbai-based Radhakrishna Foodland Private Limited (RFPL) was chosen as a distribution agent who would act as a hub for all its vendors. RFPL stored the products in controlled conditions in Mumbai and New Delhi and supplied them to McDonald’s outlets on a daily basis. By transporting the semi-finished products at a particular temperature, the cold chain ensured freshness and adequate moisture content of the food. The specially designed trucks maintained the temperature in the storage chamber throughout the journey. From its experience in other countries, McDonald’s was aware that supply chain management was undoubtedly the most important factor for running its restaurants successfully.

In India as in other parts of the world, McDonald’s had a very well orchestrated supply chain, called the ‘cold chain’. Around the world (including India), approx. 85% of McDonald’s restaurants were owned and operated by independent franchisees. Yet, McDonald’s was able to run by outsourcing nine different ingredients used in making a burger from over 35 suppliers spread all over India through a massive value chain. McDonald’s sourced its ingredients from all parts of India. For example, the iceberg lettuce was specially developed for India using a new culture farming technique.

Thus, US-based fast food giant, McDonald’s success in India had been built on four pillars: limited menu, fresh food, fast service and affordable price. Intense competition and demands for a wider menu drive-through and sit-down meals - encouraged the fast food giant to customise product variety without hampering the efficacy of its supply chain.

Questions
1. Which business strategies were used in McDonald’s food supply chain?
2. What was the role of outsourcing in SCM?
3. How does McDonald’s continue to be the fast food giant?
Dell’s Direct Selling Model
US based computer hardware manufacturer Dell Inc. (Dell) aims to integrate its supply chain and achieve higher efficiency and quality. It is a leading direct computer systems manufacturing company. Earlier, all Dell’s factories had been managed regionally, and procurement functioned as a separate division. Dell had been the top PC manufacturer till the second quarter of 2006. But in the third quarter of 2006, HP overtook Dell for worldwide PC shipments.

To rank first among PC manufacturers, Dell used direct selling method. The Dell’s direct selling model had the idea of selling computers directly to the consumer eliminating the need for middlemen and distributors. Dell sold its computer systems directly to end customers, bypassing distributors and retailers (resellers). Thus, Dell’s supply chain consisted of only three stages: the suppliers, the manufacturer (Dell), and end users.

By selling PCs directly to the consumers, the company was better able to understand the needs of its customers. Its direct contact with customers allowed it to identify market segments, analyse the requirements and profitability of each segment and develop more accurate demand forecasts. The company’s procurement decisions were based on four criteria - quality, cost, delivery and technology.

The first computer Turbo PC was introduced in 1985. The launch was advertised in computer magazines and sold directly to customers. Dell also began employing computer literate sales personnel to guide consumers in their choice of systems. Each system was assembled according to the preferences of the customers. This option helped customers to get computers at a price lower than other brands.

Dell matched supply and demand because its customers ordered the computer configurations over the phone or online. Dell received orders via the telephone, internet, e-mail, etc. With advancement in technologies, the choices available for the consumers also widened. Customers could use Dell’s website www.dell.com, to configure their customised computer and place an order for it and choose from a variety of products ranging from desktops, notebooks, servers, printers, and so on. The website catered to different segments of customers like individuals, home office customers, small businesses, medium businesses, large businesses and public sector customers like Government departments, educational institutions and healthcare institutions. Thus, it got popular amongst all.

Dell’s strategy was to provide customised, low cost, and quality computers delivered on time. Dell reduced the cost of intermediaries that would otherwise add up to the total cost of PC for the customer. The time on processing orders was saved that other companies normally incur in their sales and distribution system. Moreover, the company got a clearer indication of market trends. This helped to plan for future besides better managing its supply chain.

It was also able to get the customers requirements regarding software to be loaded. Dell loaded the ordered software in its plant itself before dispatching it. By eliminating the need of a PC support engineer to load software, the customers gained both in time and cost. Dell collaborated closely with its suppliers in order to manage its operations with low inventory levels.

Demand forecasting with 75% accuracy was done as it maintained a database to track the purchasing patterns of corporate customers and their budget cycles. It also maintained a similar database for individual customers in order to cater to their future requirements for PCs. The changing demand patterns were communicated to the major suppliers frequently.

Questions
1. How did direct contact with the customers helped Dell to rank first among PC manufacturers?
2. Dell has always used innovative information technology tools to supplement its supply chain? How did IT tools benefit Dell? Explain.
3. Which databases were created in order to cater to the customer’s future requirements for PCs?
References


- Cleaning Canvas Awnings at a Shopping Center Dallas Fort Worth TX DFW. [Video Online] Available at: <http://www.youtube.com/watch?v=UV-3w_qAGKM> [Accessed 19 January 2012].


- Lougheed, G.D. & McCartney, C., Malls, sprinklers and smoke: is smoke in a shopping mall atrium more of a problem that we bargained for? Recent tests have been looking at the concerns Available at: <http://www.nrc-cnrc.gc.ca/obj/irc/doc/pubs/nrcc45665/nrcc45665.pdf> [Accessed 4 Jan 2011].


**Recommended Reading**

Self Assessment Answers

Chapter I
1. a
2. c
3. d
4. d
5. a
6. b
7. c
8. d
9. b
10. a

Chapter II
1. b
2. a
3. a
4. a
5. d
6. c
7. a
8. a
9. d
10. c

Chapter III
1. c
2. a
3. b
4. d
5. c
6. c
7. c
8. b
9. a
10. c

Chapter IV
1. c
2. a
3. b
4. a
5. d
6. a
7. d
8. b
9. c
10. b
Chapter V
1. a
2. c
3. d
4. a
5. a
6. a
7. a
8. b
9. d
10. c

Chapter VI
1. d
2. b
3. d
4. b
5. a
6. a
7. d
8. a
9. b
10. b

Chapter VII
1. c
2. a
3. d
4. c
5. a
6. c
7. b
8. d
9. a
10. c

Chapter VIII
1. b
2. b
3. a
4. b
5. c
6. a
7. c
8. c
9. a
10. d