



A LITERATURE REVIEW ON DETERMINANTS OF MALL MANAGEMENT & A CONCEPTUAL FRAMEWORK

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ABSTRACT

Malls are growing phenomenon in the retail industry. Mall management is getting pressure from the retailers to manage the mall in a very efficient way. Shopping mall management has long struggled to identify factors affecting mall patronage (e.g. Burns, 1992; Kenney, 2000; Kirkup and Rafiq 1994). Mall management is responsible to manage the attributes of mall to create an image in the mind of the prospects. The mall image may be used to improve the positioning of the mall in respect to its immediate competition (Chebat, Sirgy, Stephan 2009). The idea that mall choice may be a function of attraction to particular stores or types of stores has been asserted by several researchers (Nevin and Houston 1980, Stanley and Sewall 1976, Sheth 1983, Weisbrod, Parcells and Kern 1984). While the need to incorporate consumers' subjective preferences for certain stores has been identified as a way to better understand and predict individual and aggregate mall patronage. However, these models appear to be less comprehensive for the image of the mall. This is because the dimensions of mall management are based on the importance of attributes determined by the mall management. Therefore, the proposed framework aims to explain the effect of mall dimensions on mall image and that in turn, can increase mall patrons. Propositions are derived and the researches as well as managerial implications of the framework are also presented.

Key Words: Mall Management, Tenant Mix, Mall Patronage, Mall Image

Introduction

Increase in socialization and consumer preference has lead to boom in the Indian retail industry. Mall has become a source of recreation and entertainment, but increase in number of malls has

put pressure on management to think out of box. Mall management has become a challenge for prospective managers to get right kind of tenant as well as to increase the foot fall.

Shopping mall management has long struggled to identify factors affecting mall patronage (Burns, 1992; Kenney, 2000; Kirkup and Rafiq 1994). Thus, successful positioning of a mall in the mind of target shoppers as favorable in terms of access, atmosphere, price and promotion of cross category assortment and within category assortment management is one that most likely can contribute to a favorable attitude toward the mall, thus enhancing mall patronage, and increasing positive word of mouth communication about the mall (Chebat, Sigry, Stephan, 2009).

The malls are always crowded but most of the people come for window shopping and not actual shopping. When the promised footfall and conversion doesn't materialize, then the relationship between the retailer and the mall management sours (Mitra, 2006; Prayag, 2006).

Mall Management

Shopping center can be marketed, that it has image and brand characteristics which can be managed (Howard, 1997). In such centers, the relationship between center management and retailers deals not just with physical services, but has a customer focus. The joint aim is partnership between center and retailer in providing a total 'shopping product' to the customer (Howard, 1997). Shim and Eastlick (1998) defined mall shopping attitude as the shoppers attitude toward a variety of dimensions including location, variety of stores, parking, mall employee behavior ,price, quality, customer services, promotional activities, ambience, mall amenities, food and refreshments and safety. Mall management is responsible to manage the attributes of mall to create an image in the mind of the prospects. The mall image measures may also be used to improve the positioning of the mall in respect to its immediate competition (Chebat, Sirgy, Stephan 2009).

Literature Review

Mall Image- Houston and Nevin (1981) suggest that the concept of store image extends to regional shopping malls as well. Also Houston and Nevin (1980) have identified three major factors or dimensions of shopping mall image from the marketing manager's perspective. The three factors are mall assortment, mall convenience and market posture. With the rapid development of shopping malls, more and more studies have been carried out on image-like variable of shopping areas. (Carter, 1978, 1981; Hauser and Koppelman, 1979; O'Neill and Hawkins, 1980; Berman, 1983). Studies by Bellenger, Robertson and Greenberg (1977), and

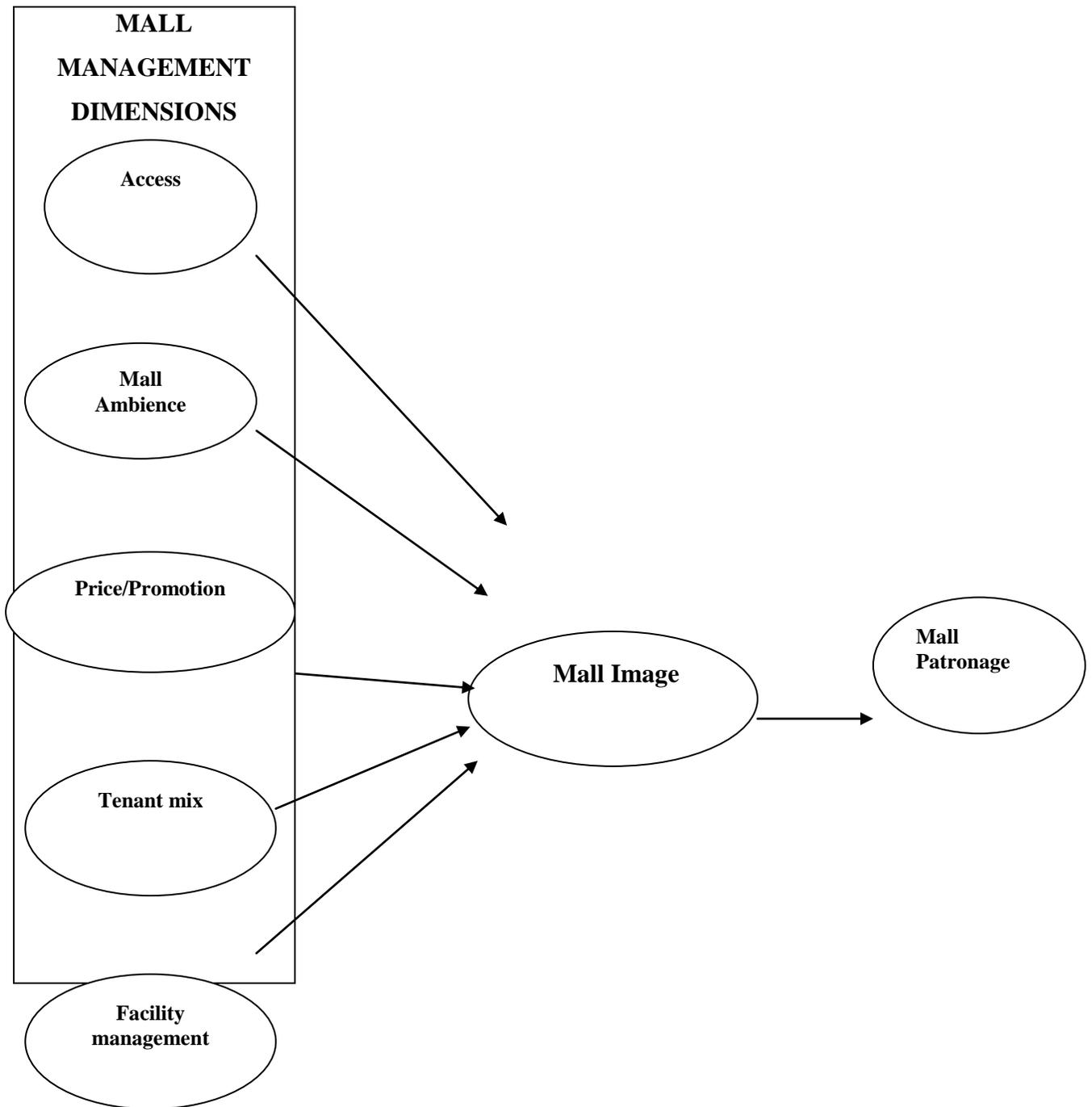
Gentry and Burns (1977) have confirmed that image-like variables are important in shopping center patronage. According to Leo and Philippe (2002), the shopping mall image is a holistic entity created from the elements such as retail mix, infrastructure and atmosphere. Thus, the shopping mall image can be managed to create a shopping destination for its potential shoppers (Warnaby and Medway, 2004).

Mall Patronage- Mall provides the basic environment that attracts customers, keep them shopping and brings them back (Kowinski, 1985).As more and more malls come into existence in India, competition between malls would increase. The malls that differentiate their offerings and can build a strong patronage will ultimately survive in this intense competition (Majumdar, 2005).

Mall choice may be a function of attraction to particular stores which consumers have identified as rewarding enclaves in an overwhelming stimulus environment. The idea that mall choice may be a function of attraction to particular stores or types of stores has been asserted by several researchers (Nevin and Houston 1980, Stanley and Sewall 1976, Sheth 1983, Weisbrod, Parcels and Kern 1984). While the need to incorporate consumers' subjective preferences for certain stores has been identified as a way to better understand and predict individual and aggregate mall patronage.

Increase the entertainment provided by the shopping centre in order to promote enjoyable shopping, which is increasingly valued by consumers. (Howard 1990; Finn 2000). Retail entertainment is positively related to higher consumer spending and greater satisfaction (Stoel *et al.* 2001).

Figure 1: Conceptual Framework of Mall Management



Source: Author

Discussion of Key Constructs

There are five key constructs in this study, namely access, mall ambience, price/promotion, tenant mix, facility management, mall image and mall patronage. The research model is depicted in Figure 1.

Access- Access refers to the location of the mall. The most widely accepted location theory is central place theory (Craig, Ghosh, and McLafferty, 1984), which views shopping areas as commerce centers to which consumer households must travel to obtain needed goods and services. Huff (1964 and Huff and Rust 1984) retail gravity model, provides a formula for predicting mall patronage based on the principle of cost (accessibility) versus utility (size). The strength of retail gravity model is that, by using essentially two variables to predict patronage behavior, it is an elegantly simple tool for managerial decision making.

Tenant mix- One of the most important aspects for the success of a mall is the tenant mix, but many malls are being created as real estate ventures, this model has the inbuilt disadvantage of not having proper control over the tenant mix. This leads to empty looking malls even after the grand opening and leads to future problems that could affect the popularity and thereby long-term viability of the mall (Prayag, 2006).

Mall ambience- The ambience factor refers to the character and atmosphere of a place. The construct on mall ambience refers to the internal atmospherics of the mall like décor, colour schemes, lighting, layout, and background music played inside the mall (Levy and Weitz, 2001). Mall environments are part of a shopper's hedonic consumption activity. Retailers appeal to the multiple senses of sight, sound, scent, tactile and in the ease of food, taste. Fantasies can be played out in a mall as a shopper walks in the mall, sits in a mall atrium or is "waited on" by a responsive retail sales associate (Campbell 1987).

Price/promotion- Malls perceived to have stores with acceptable prices are likely to be favored by shoppers than malls with stores having unacceptable prices (Chebat, sirgy, Stephen 2009). Similarly, malls that engage in promotions to offer shoppers more store bargains are favored than malls that do not engage in such promotions. The satisfaction of shoppers plays at least an equally important role in metropolitan areas where commercial zones are numerous enough to lead consumers to choice decisions (Rajgopal, 2009). Thus, different behavioral aspects including perception of shopping possibilities, expected pricing practices and general global environment of each shopping mall affect the satisfaction or dissatisfaction of consumers (Léo and Philippe, 2002).

Facility Management- The offer of services within the centre, such as customer service points, rest areas, crèche, and other services that complement the shopping process, provide for greater shopper convenience (Frasquet, Teresa, Irena, 2002). According to McGoldrick and Thompson (1992), the importance of these services will increase with the intensification of competition. The authors believe that among the core services of a shopping centre, free parking and long opening hours are notable, as they are both key aspects of the new shopping habits of consumers (Frasquet, Teresa, Irena, 2002).

Relationships between Key Constructs

Six propositions are proposed to explain the relationships between the key constructs.

Access and Mall image-First proposition focuses on the association between the access of the mall and the image of the mall. A strong image of a shopping location will influence customers' purchase intention, longer shopping time and higher sales turnover in effect more positive shopping behaviour (Bitner, 1992; Dennis, Newman, and Marsland, 2005; Oppewal and Timmermans, 1997).

Proposition 1: Access will have a direct and positive impact on mall image.

Tenant mix and Mall image-Proposition two deals with the management of tenant and its effect on mall image. Sim and Cheok (1989) contended that an appropriate tenant mix determines the success or failure of a shopping mall and tenant placement is always vital in influencing the shoppers' circulation. Abratt *et al* (1985) states that tenant mix should create a specific image for the centre, and position it in relation to competing retail centres. The need to differentiate a centre from its competitors has grown as their numbers have increased (Yap 1996).

Proposition 2: Tenant mix will have a direct and positive impact on mall image.

Mall ambiance and Mall Image- Proposition three deals with the relationship between the mall ambiance and mall image. The shopping centre environment is mainly determined by the external and internal design of the centre and its atmosphere (Kirkup and Rafiq, 1998). Decisions on these aspects are difficult and costly, as they attempt to satisfy consumer preferences over a long period of time and at the same time provide a differentiated image (Marta, Teresa, Irena 2002).

Proposition 3: Mall ambiance will have a direct and positive impact on mall image.

Price/Promotion and Mall image- Proposition four deals with relationship between the price/promotion and mall image. Whether malls benefit from soft promotions or hard sell is not a choice but a matter of balance. Experts say that a combination of general entertainment and price-based promotions are a great way to encourage visits and spending. Much evidence exists supporting the effect of prices and promotion on shoppers' behavioral responses (e.g., Leo and Phillipe, 2002; Parsons, 2003).

Proposition 4-Price/promotion will have a direct and positive impact on mall image.

Facility Management and Mall image- Proposition five deals with the relationship between the services provided by mall management and the mall image. The importance of the personnel of the centre is highlighted by Kirkup and Rafiq (1998). These authors distinguish four types of personnel: direct customer service staff, operational center staff (Matra, Teressa, Irena, 2002), center security staff and store staff. All of them may influence the image that shoppers have of the centre; thus it is essential that all of them develop a customer orientation.

Proposition 5: Services provided by mall will have a direct and positive impact on mall image.

Mall patronage and Mall image- Proposition six deals with the relationship between the mall patronage and mall image. There is much evidence available for the relationship between image attributes and consumers' shopping motives (Bellengeretal., 1977; Gentry and Burns, 1977-8; Nevin and Houston, 1980). Hunter (2006) also examined the process by which image, influenced patronage.

Proposition 6-Mall patronage will have a direct and positive impact on mall image.

Research and Managerial Implications

The proposed model represents a starting point for examining relation between the mall dimensions and the mall image. There is scope for further theoretical and empirical research in this area. Each of the relationships proposed within the model offer avenues for more detailed measurement and examination from a managerial perspective and beyond the management of mall dimensions. Mall management should give emphasis to create an image in the mind of the prospects to have a competitive advantage. This is particularly important to increase the *mall patrons*.

Conclusion

Given the increasing competition for shoppers' leisure time and money, mall patronage can be a source of competitive advantage to mall management. However, previous studies on factors of shopping center management and shopping center management have given importance to the mall attributes. Beyond attributes of the mall, the attainment of positive image in the mind of the prospect leads to positive post-consumption evaluation, and thus favourable satisfaction response. Therefore, mall management is responsible to manage the dimensions of the mall for better positioning of the mall.

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