

# Customer Preferences on Shopping Mall Characteristics: Terengganu, Malaysia

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## Abstract

This study presents the results and analysis of shopping mall characteristics preferred among customers in Terengganu, Malaysia. There are many reasons why customers choose the right shopping mall and the types of shopping mall preferences also influence customers. In reality, there are a lot of shopping malls available in our country but customers always have their preference. The purpose of this study is to analyze shopping mall preferences among customers. A questionnaire was distributed to 166 respondents. The results showed that five (5) types of shopping mall characteristics were determined to be the key elements for the customers which are strategic location, condition and environment of the facilities, quality and services, accessibility of the transportation, and tenants mix. This research gives insight to retailers, shopping mall management, and stakeholders in planning for future shopping mall development.

**Keywords:** Shopping Mall, Characteristics, Customers, Preferences, Terengganu, Malaysia

## Introduction

A mall, retail centre, or shopping mall symbolizes a current perspective on the marketplace (Juhari, Ali & Khair, 2012). It also consists of independent retail shops, services, and parking areas which must be maintained by a management company. A shopping mall is a hotspot place for people who carry out an activity sales of goods between two parties which are sellers and buyers in a fixed location. People will concentrate on shopping malls because there are many facilities and services provided in the same building. The retail sector in Asian countries shows a trend of shopping mall growth rapidly (Meyer Ohle, 2022). For example, Malaysia is expected to face the situation of shopping mall oversupply due to more than 200 shopping centres around Kuala Lumpur as the shopping hub (Abdul-Ghani, Hamid, Harun & Mohd-Noor, 2011).

The existence of shopping malls in this country has increased parallel with the growth of the economy, standard of living, and ways of society life. Proper shopping malls include places that are easy to access, provide more facilities and services to customers, and are

noticed by visitors from nearby or other places. Besides, a shopping mall must have a unique attraction from other competitors because customers usually tend to visit the best and most convenient shopping mall based on their preferences.

Other than that, shopping malls must have efficient management to ensure that the facilities and services provided in the shopping mall are well maintained and satisfy the customers. Even if it's challenging to satisfy client expectations these days since they are more aware of what they want (Ying & Andrew, 2019), still well-maintained shopping malls can influence the frequency of visits. This situation not only increases the visitor's number but also increases business growth and influences the country's economy.

Nowadays, the increasing number of shopping malls leads to high competition between shopping malls. Mostly, the shopping mall will provide facilities such as a food court, Surau, toilet, services such as security systems and a lift or escalator. All the facilities and services provided must be well-maintained especially on the weekends and holidays due to the peak hours of visit. Limited and unmaintained facilities and services provided will give unsatisfied customers.

Service provided in the shopping malls also must in well maintained and functional. For example, in the basement, CCTV must be functional to ensure the area is covered with security to avoid any unwelcome incidents. Other than that, a lift and escalator should always be functional as it makes it easier for customers to explore the mall. The related parties which is the shopping management must play their roles to ensure that all facilities and services provided can give benefits to the customers. Therefore, a good environment will make people happy when they purchase and utilize the mall's amenities and services.

Modern customers have high expectations for their shopping experiences, and because of their enhanced knowledge and expertise, shops and management need to put in a lot of effort to create a lasting impression. Besides that, the increasing number of abandoned shopping malls can affect the original purpose of shopping mall existence in urban development. Therefore, it is necessary to identify the shopping mall selection criteria from the customer's perspective to disseminate the most recent information regarding the criteria of shopping malls that people prefer. This study will concentrate on shopping mall characteristics that significantly impact consumers' preferences when they select a mall.

## **Literature Review**

### *Customer Preference*

A multi-dimension concept defined as a consideration of post-choice related to a specific decision is customer satisfaction (Selnes, 1993; Hui, Zhang & Zheng, 2013). Services and quality are related but differ according to the concept (Becker, 1990; Sureshchandar et al., 2002). Fornell (1992), mentioned that the satisfaction of customers is assumed as the function of service quality. Customer satisfaction is more concerned with the evaluation of the service performance rather than the objectives of organizations in the standard of quality. Besides, the relationship between the quality of the services and the intention of the behaviour affected the customer's satisfaction. The evaluation of customers towards the quality of services leads to emotional satisfaction that also leads to the behaviour of post purchases (Hui, Zhang & Zheng, 2013). In another report, the satisfaction of customers affected loyalty

of the customers (Nourse, 1990), intention to purchase (Anderson and Sullivan, 1993) and willingness to run and repeat the business (Fornell, 1992) (Hui, Zhang & Zheng, 2013).

### *Shopping Mall*

The shopping mall is a place where it is heavily dependent on facilities conditions and performance. A shopping mall can be defined as a place with a characteristic as a place that enables give comfortable shopping experience that changes into a social centre and recreational facilities for a lot and many activities to be held there (Makgopa, 2018). In the early stage, the centre of the shopping mall was primarily economic and provided many kinds of shops to the customers in the same building.

Shopping malls are also not only a centre for shopping but are now integrated with highly structured. Shopping malls are suitable with new designs and types of tenants to fulfill the needs of customers which always change from time to time, desires, values and the lifestyle of the customers (Makgopa, 2013). This view has also been supported by Farrag, El Sayed and Belk (2010), mentioned that the shopping centre has changed from only shopping activities in traditional forms to a complex of entertainment and community centres for social and recreational activities. There are different types of shopping malls which are convenience shopping malls, neighbourhood shopping malls, community shopping malls, regional shopping 24 malls and super-regional shopping malls (Makgopa, 2013). The main activity of shopping malls is to enable interaction between two groups which are retailers and shoppers. It also can give some profit to the retailers.

### *Shopping Mall Characteristics*

This study focuses on five (5) shopping mall characteristics which are strategic location, condition and environment of the facilities, quality and services, accessibility of the transportation and tenants mix.

#### *1) Strategic Location*

The facilities provided at the shopping mall must be designed in a strategic location. This plan is important for customers to get and easy to access to all the facilities provided. Usually, the main facilities are focused on a food court and washroom. Mostly the food court is always in the middle of the mall which is easy access for customers during shopping. The strategic location of facilities will give much benefit to the customers. Rizal (2019) mentioned that the strategic location of the facilities in the shopping mall will influence safety and shopping plans for the customers.

Besides that, the surau location also needs to be placed in a reachable location. Some of the shopping malls provided the surau facilities in the basement. This situation will create an uncomfortable and unsafe situation for customers. Sometimes, the location tends to urge the customers to cross and walk in the middle of the parking lot with dark and less lighting. Therefore, the surau at the shopping mall basement is not a strategic location and this characteristic will influence the customer's preference in choosing the preferred shopping mall.

## 2) *Condition and environment of the facilities*

Ismail (2017), stated to attract and satisfy customers in shopping malls, the management should provide comfortable facilities and services. The internal mall environment is related to the internal decoration, atmosphere and ambience, as well as the environmental attributes that cover the use of colour, music or crowding (Chebat et al., 2010).

According to Raajpoot et al (2008), the exterior, general interior, layout, interior display and human variables, are the five main grouping of a mall environment. These five variables can affect the result in terms of the amount of time that consumers want to spend within the mall, overall assessment and consumer intention to revisit the mall again. Moreover, the features of the outside appearance, the structure of the interior, the colour and lighting, decorations, aroma and other odours and the background music, all directly captivate the human senses (Raajpoot et al., 2008).

The comfortable and good condition of the facilities in the shopping mall can attract customers to visit the mall frequently. The comfortable condition leads to a relaxing and enjoyable place for customers when having leisure time in the shopping mall. Therefore, the management needs to pay attention to the cleanliness of the building (Dennis et al., 2002, Mohd Ali, 2013).

## 3) *Quality and Services*

The relevant literature stated that the quality of the services is an important thing to get the loyalty of the customers. Kale (2005) mentioned that service quality will overcome the loyalty of the customers. The quality is determined by the customers (Deming, 1992). On the other means, quality makes someone implement of what they have agreed on an accurate time. The management organization should give the best services to the customers without making any mistakes. Due to the best services given, the customers will be satisfied with the quality given and it also can affect the service performance score.

The best services also lead to the loyalty and satisfaction of the customers. The best services will give a good image for the shop. In terms of the facilities, the facilities management of the building must play their roles to make sure that the shopping malls always have good customer service, the best ambience for the customers and keep up to date the building maintenance.

## 4) *Accessibility of the Transportation*

There is a large amount of literature in the previous that states the impact of the transportation infrastructure from the different dimensions (Jiang et al, 2017; Zhang, 2012, Liu and Hu, 2011). Good transportation infrastructure can reduce the transit time of the personnel, allowing businesses to use more services that are not provided in their locality (Krugman, 1980). It shows that good transportation supports accessibility for people to travel and visit the shopping mall. A shopping mall is usually located in the middle of the town. Good transportation such as buses, taxis and monorails will help people to commute everywhere and visit the shopping mall.

However, some of the people did not use public transportation due to a few reasons such as not being crowded with other people and different public transportation schedules.

Customers tend to use their vehicles to the shopping mall. Therefore, the management should provide more adequate parking for their customers.

### 5) Tenants Mix

Basically, shopping malls usually have many retailers in the same buildings. According to Ibrahim, Sim and Chen (2003) and Teller and Reutterer (2008), tenant mix can allow a shopping mall to form a successful outcome due to an appropriate tenant mix that can entice more patrons to maximize the sales productivity of a mall. With the tenant mix, the customers do not need to go to other places as the mall becomes a one-stop shopping trend (Nicholls et al., 2002).

Calvo-Porrall and Lévy-Mangín (2018) found that there is an influence between tenant mix towards consumers' choice of shopping mall. Consumers prefer to shop in a mall with a wide variety of tenants or store assortment as compared to a mall with limited tenant variety (El Hedhli, Chebat, and Sirgy, 2013). Customers also can save time when they choose to visit shopping malls with a variety of retail types. Sometimes customers would like to buy their groceries together with other stuff. Therefore, with a one-stop centre shopping mall, it gives time and energy savings.

Thus, this study will analyse five (5) shopping mall characteristics preferred by customers. Figure 1 shows the conceptual framework of the study.

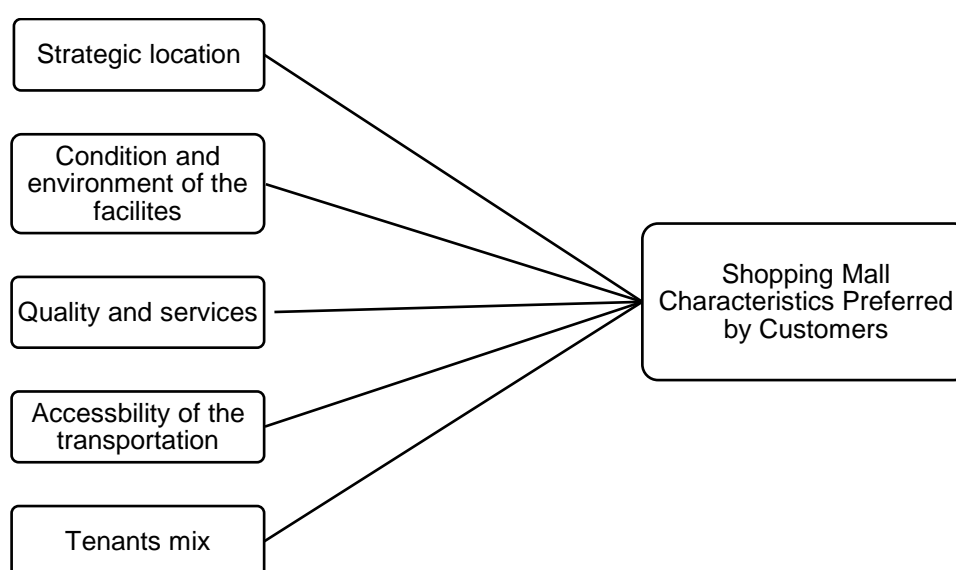


Figure 1: Conceptual Framework

### Material and Methods

This study implied a quantitative approach by using a questionnaire survey. The sampling unit criteria are respondents who visit Kuala Terengganu City Centre (KTCC). Convenience sampling is used as this method is low-cost and easier to survey as it uses readily accessible respondents (Bhattacharjee, 2012). For sampling size, this research collected a total of 166 sampling sizes as recommended by Yamane (1967). The twenty samples are carried out as a pilot test with Cronbach's Alpha, resulting in a value of 0.961. This pilot test is important in identifying whether the questionnaire is answerable by the respondents and feasible for

the research.

For the questionnaire survey layout, the questionnaire consists of two (2) sections: Section A consists of the demographic profile, and Section B regarding shopping mall preferred characteristics. A five-point scale is used to measure the characteristics with the following levels: 1 = Strongly Dissatisfied (SD), 2 = Dissatisfied (D), 3 = Neutral (N), 4 = Satisfied (S), 5 = Strongly Satisfied (SS). Descriptive statistics were used to present the demographic profiles and shopping mall characteristics analysis.

## Results

### *Demographic Profiles*

Out of 166 respondents, 34.9% were male, while 65.1% were female. For marital status, 58.4% were single, 41% were married and 1.6% for others. Most of the respondents were aged between 21-40 years old and had adequate education levels. Besides, 41% of respondents are working, 38.6% are students and 20.5% are unemployed. Table 1 shows the respondents' profiles.

Table 1

### *Demographic Respondents*

<b>Attributes</b>	<b>Categories</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>1) Gender</b>	Male	58	34.9
	Female	108	65.1
<b>2) Age</b>	Less than 20 years old	6	3.6
	21-30 years old	95	57.2
	31-40 years old	53	31.9
	41- 50 years old	8	4.8
	Above 51 years old	4	2.4
<b>3) Race</b>	Malay	166	100
	Chinese	0	0
	Indian	0	0
	Others	0	0
<b>4) Marital status</b>	Single	97	58.4
	Married	68	41.0
	Others	1	0.6
<b>5) Education Level</b>	SPM	46	27.7
	STPM/Certificate	32	19.3
	Diploma	25	15.1
	Degree	46	27.7
	Others	17	10.2
<b>6) Occupation</b>	Working	68	41
	Students	64	38.6
	Unemployed	34	20.5

*Shopping Mall Characteristics Preferred by Customers*

There are five (5) shopping mall characteristics were analysed with descriptive analysis. Table 2 shows the list of shopping mall characteristics in detail.

Table 2

*Shopping Mall Characteristics Preferred by Customers*

No	Variables	Mean	Rank
1.	Strategic location	4.14	1
2.	Accessibility of transportation	3.92	2
3.	Condition and environment of the facilities provided	3.87	3
4.	Tenants mix	3.86	4
5.	Quality and services provided	3.55	5

Table 2 shows the results of customer preference on shopping mall characteristics. A total number of 23 questions were asked regarding these five (5) characteristics. The highest mean score is the strategic location (4.14), followed by the accessibility of transportation (3.92), condition and environment of the facilities (3.87), tenants mix (3.86) and quality and services (3.55). This result shows that all the characteristics are important to support customers' activities in the shopping mall. The customers need a strategic location regarding facilities in the shopping mall. The location will give good accessibility to the customers and influence their frequency of visits to the shopping mall.

Besides that, other characteristics which are accessibility of transportation, condition and environment of the facilities, tenants mix and quality and services also have a huge impact on customer's experience at the shopping mall. But there a lot condition needs to be improved. For quality and services, the management needs to plan for alternative parking, especially for motorcycles due to their unsafety condition. Other than that, the management also can do a survey to ask their customers about shopping mall characteristics for future improvement.

**Conclusion**

Given that today's consumers are well-informed and smart, malls must strengthen their competitive advantages to set themselves above one another in this competitive market. By being aware of the characteristics of malls that influence customer selection, businesses must create a whole new shopping experience. This research was to determine the most preferred characteristic that contributes to shopping mall customer preferences. The most affecting characteristics are strategic location, accessibility of transportation, condition and environment of the facilities, tenants mix and quality and services. This study brought a realization to the respondents as they were very concerned about the facilities provided in the shopping mall in the strategic location.

This study will contribute to the latest information regarding shopping characteristics preferred by customers to shopping mall management. Therefore, to set themselves apart from other malls, mall management might invest extra time and energy into designing and decorating something unique to attract customers to do purchasing activities. Finally, to keep customers interested and to increase their level of satisfaction with the mall, mall operators

need to explore other areas that can delight them. One such area could be customer interaction, such as implementing creative activities to leave a lasting impression on them. This would create a whole new shopping experience and create customer loyalty.

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