BLACK CONSUMERS' SHOPPING PATRONAGE AND PERCEPTIONS OF THE RIVERSIDE MALL'S ATTRACTIVENESS

by

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ABSTRACT

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The shopping centre industry is booming and shopping centres are built and planned in areas where previously there were no formal shopping opportunities. The profile of the typical South African shopper or consumer has changed from the traditional white affluent consumer to a diverse mix of heterogeneous cultures and nationalities and saw exponential growth in the spending power of the black middle class consumer.

The focus of the study was to investigate consumers' shopping centre behaviours, with specific reference to the attractiveness of the shopping centre, travel distance, patronage frequency and transportation used. The primary objective of this study was to determine the perceptions of black consumers regarding the attractiveness of the Riverside Mall, a shopping centre in Nelspruit, the capital city in the Mpumalanga province of South Africa. Various secondary objectives investigating possible differences relating to demographic profiles and other shopping centre behaviours and the perceptions of the consumers regarding the attractiveness factors were also investigated. The secondary objectives also included grouping the individual attractiveness attributes into factors as well as assessing the ability of the attractiveness factors to predict the overall shopping centre attractiveness.

A two-stage research design, also called pluralistic design, was used for this study. Phase one was a qualitative design consisting of focus groups and personal interviews; and stage two a quantitative design. A total of 400 black shoppers were interviewed using a self-administered questionnaire that was distributed within the shopping centre during the intercept survey.

The descriptive statistics are reported as well as regression analysis, factor analysis, ANOVA, Mann-Whitney U tests and Kruskal-Wallis tests results.

Findings from the research indicated that respondents visit shopping centres on a regular basis for shopping, browsing and socialising. The respondents indicated that the shopping centre was overall attractive and the individual shopping centre attractiveness attributes were grouped into four factors after the factor analysis: entertainment and facilities, quality and atmospherics, convenience and way-finding and decor.

No differences on the perceptions of attractiveness factors between male and female consumers could be found. The traditional view of male and females differing in their enjoyment of shopping or time spent in a shopping centre seem not be substantiated in this research but the results however confirm that due to several possible reasons, such as duel income families, men are more exposed to shopping and visiting shopping centres and as such display similar behaviour than females. The age group 25 - 40 years, indicated differences in their perception of the attractiveness factors. These shoppers are a distinctive and discerning group and their perceptions of shopping centre attractiveness are different from shoppers in other age groups.

The regression analysis revealed that Factor 1 ‘Entertainment and Facilities’ had the biggest effect on the overall attractiveness of the shopping mall.

The constant changes in consumer preferences and needs necessitate a constant re-evaluation and updating of the retail offerings. The challenge will be to provide a unique and novel destination, where consumers can meet to satisfy their need for social interaction, whilst engaging in their shopping. It is recommended that shopping centre managers should conduct regular climate studies in their environments to enable them to identify problems and suggestions from the respondents. Various strategies to improve marketing, infrastructure, entertainment, providing variety as well as creating a sustainable competitive advantage was suggested.

Recommendations for further research include the need to explore the possibility that the cultural influence might cause both male and female shoppers to experience shopping in a similar way.

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BACKGROUND AND OVERVIEW OF THE STUDY

"Let's remember you can still go shopping without buying, because where buying is a matter of need, shopping is a question of want."

Robert Rowland Smith,

Breakfast with Socrates: An Extraordinary (Philosophical) Journey through your Ordinary Day

1.1 BACKGROUND

Over the past decade or two, the South African retail environment has been characterised by the establishment and the renovation of shopping centres all over the country. Not only does this show enormous growth for the retail industry as a whole, but also the aptitude of retailers in serving the evolving needs of shoppers in the 21st century.

Since the new dispensation in the political environment in South Africa in 1994, the profile of the typical South African shopper or consumer has changed from the traditional white affluent consumer to a diverse mix of heterogeneous cultures and nationalities. In a study conducted by the UCT Unilever Institute of Strategic Marketing, they coined the term "black diamonds" to refer to the black middle class, which includes working professionals; people who own cars and/or homes, that can afford a university education, in addition to those that have the potential to enter these categories (Dardagan, 2005). At that time, the findings indicated that the black diamonds represented 12% of South Africa's black adults, and 28% of South Africa's buying power.

Studies conducted by Market Tree Consultancy (2008) confirm the growth of this lucrative market. During 2008 black diamonds numbered over two million people, and had a combined annual spending power of R130-billion (Market Tree Consultancy, 2008). Considering these figures it may be concluded that the target market characteristics of shopping centre patrons have changed significantly in recent years. The expansion and establishment of shopping centres across South Africa has also resulted in the patronage of some black consumers who do not necessarily fall into the black-diamond category.

Numerous shopping centre studies have been conducted by international researchers during the past 40-50 years. According to Wong, Lu and Yuan (2001:76) the first study on predicting shopping centre patronage was done in 1958 by Martineau. This was followed by studies in the sixties by Huff, as well as Arons, in the seventies by Lindquist, and in the eighties by Nevin and Houston (Wong *et al.,* 2001). More recent studies include the work of Wong *et al*. (2001), Sit, Merrilees and Birch*,* (2003) and El-Adly (2007). However, very little research on shopping centre attractiveness has been done in South Africa and the studies done focussed mainly on the Gauteng province. The first local study was conducted by North and Kotze (2004) to investigate shoppers' perceptions of the attractiveness of three shopping centres in Pretoria while Creydt and Roodt (2005) investigated teenagers' perceptions of the attractiveness of the Menlyn Shopping centre in Pretoria. No research has been done in other provinces in South Africa and especially investigating black consumers' perceptions.

The retail industry is currently faced with changes in the demographic, lifestyle and cultural buying behaviour of consumers. Further to this, there exists competition not only between shopping centres, but also between centres and alternative shopping channels, such as the Internet.

According to Howard (1997:266), shopping centres have the benefit of providing value for the consumer – in terms of location and co-location (the proximity of outlets). It is imperative that a shopping centre should deliver on the value that is created; and managers need to do more than just monitor security, cleaning and promotions. Howard (1997:267) proposed that property managers need to recognise that a shopping centre has an image, as well as brand characteristics, that should be managed, promoted and improved. It has become essential for shopping centre managers, as well as store owners, to realise the importance of attracting the 'right' customers, and of keeping them happy. The rise in the patronage of the black consumer in shopping centres, as well as the challenges facing marketers has led to a need for continuous research on the shopping behaviours and perceptions of consumers in a shopping centre context.

One of the first fully fledged shopping centres that opened its doors in 1998, in a semi-rural setting, after the new political changes of 1994, was Riverside Mall situated in Nelspruit, the capital of the province of Mpumalanga. According to Statistics South Africa's *Census 2011*, Mpumalanga's population was 4.04 million, 7.8% of the national population of 51.77 million. Females constituted 2.07 million or 51.1% of the provincial population distribution and males 1.97 million (48.9%). The youth cohort (0-34 years) made up 69.4% of the total population in the province and the age group 60 years and older, only 7.0% (SERO Report, 2013).

The majority of Mpumalanga's population in 2011 was Black Africans (90.7%) with Whites contributing 7.5%. Other population groups included Coloureds (0.9%), Asians (0.7%) and others (0.2%). In 2011, 41.8% of Mpumalanga's population resided in Ehlanzeni, which is the district where Nelspruit is situated. Females were in the majority in the Ehlanzeni district (52.4%) and 72.1% of Ehlanzeni's population was younger than 35 years of age (SERO Report, 2013).

The SERO report of the province further highlights the following statistics: In 2012, Mpumalanga's poverty rate was 36.9%, this implies that around 1.52 million of its citizens lived in households with an income less than the poverty income, however the poverty rate declined (improved) from 43.8% in 1996 to 36.9% in 2012. A major share of households (90.2%) in Mpumalanga reported expenditure of less than R10 000 per month in 2012. Mpumalanga's contribution to the national economy was the fifth largest with a share of 6.3% in 2012.

The SERO report also highlighted the fact that according to the LSM measurement, the population in Mpumalanga moved progressively from the lower LSM groups in 2005 to the higher LSM groups. By 2012, the share of the population within the three lowest LSM groups dropped to 8.0%, whereas the share within the three highest LSM groups increased to 12.3%. In 2011, the largest share of Mpumalanga's population fell in the LSM

5 group and the smallest share in the LSM 1 group. It is evident that more households in Mpumalanga owned refrigerators, televisions and cell phones than the norm in South Africa. On the contrary however, less households in Mpumalanga owned electric or gas stoves, personal computers and motorcars than the standard for South African households.

The average household income in Mpumalanga increased from R31 186 per annum in 2001 to R77 609 per annum (R6 467 per month) in 2011. This represents an absolute increase of 148.9 per cent in nominal terms over the 10-year period, which was higher than the national increase and the highest among the nine provinces (SERO Report, 2013).

The Tress Index measures the level of concentration or diversification in an economy. An index score of zero represents a much diversified economy, while a number closer to 100 indicates a high level of concentration. The economy of Mpumalanga appears to be slightly more diversified than that of South Africa in total with an index of 37,6% in 2012. Among the nine provinces, Mpumalanga ranked first in terms of the most diversified economy, followed by KwaZulu-Natal and Free State. According to Tourism South Africa's *Annual Report 2012*, Mpumalanga was the second most visited province by foreign visitors in 2012, with a share of 15.2 % of total foreign arrivals visiting the province (SERO Report 2013).

All these statistics indicate that the province of Mpumalanga is in nature diverse and that a study of this nature would be relevant within the province as reflected in the high concentration of Black Africans (90.7%), upward mobility within the LSM groupings, semi – rural area and yet an unexplored region.

The city of Nelspruit was chosen as it has a population of around 734 482 people (2006 figures), and had the first fully fledged shopping centre build in the province, the Riverside Mall, situated on the White River main road on the outskirts of the city. This is a premier regional centre, with a GLA retail area of 50 510m². Riverside Mall is currently the second largest shopping centre in the province. The centre opened its doors in 1998; and it has been refurbished at regular intervals – with the last upgrade being done in 2011. The centre has a total number of 3 365 parking bays, of which 2 516 are covered. There are around 140 shops, with the largest anchor tenants being Woolworths, Pick and Pay and Nu Metro. During 2012 a new water park, and an outside entertainment area, were added (Riverside Mall, 2012; SACSC, 2010:344). As the only other large shopping centre in Nelspruit, the Ilanga Mall were included in initial focus groups discussions it became apparent that the shopping centre did not have all the criteria/variables measured in the study and could therefore not be included.

1.2 PROBLEM STATEMENT

The consumer profiles of the patrons of shopping centres, including the black shopper, should be considered by the managers, developers and retail outlets in a shopping centre. Although consumer needs and preferences are in many ways universal, the influence of black cultural values, lifestyles, languages, education levels and religion cannot be ignored.

The major social and political changes in South Africa since the 1990's changed the face of the formal economy with the emergence of a large group of black middle class consumers (Petzer & de Meyer, 2013:382). According to Petzer and de Meyer (2013:383) the black middle class consumers is eager for products and services that was previously almost exclusively only available to white consumers, this combined with the fact that their spending power is surpassing the white middle class, makes them a profitable market. According to the UCT Unilever study (Dardagan, 2005), the black middle class shows an optimism in the future of South Africa that is evident in their buying behaviour trends. The findings of this study also indicate that black households in the upper-income bracket grew by 368% between 1998 and 2004 (Dardagan, 2005).

The heterogeneous, multi-cultural realities of the current South African consumer base stress the need for marketers to move closer to consumers, and to be sensitive to the needs and preferences of all ethnic groups in South Africa and adapt their marketing strategies accordingly (Petzer & de Meyer, 2013:383; Rousseau, 2007a:59). The cultural differences filter through all levels of the socio economic hierarchy in the South African market, therefore when marketers are developing marketing strategies, the socio economic factors as well as the cultural differences needs to be factored in (Petzer & de Meyer, 2013:384).

In an extensive search on the electronic data basis available, by searching the topic of shopping centre patronage, no study could be found that deals exclusively with the shopping behaviour of a specific ethnic group in South Africa. Previous studies by North and Kotze (2004), and some international researchers such as El-Adly (2007), Wong *et al.* (2001) and Sit *et al.* (2003), focused on shoppers in general and did not segment shoppers based on ethnical differences. Researchers who investigated ethnical differences in shopping behaviour in a shopping centre environment, include Allard, Babin and Chebat (2009); Ooi and Sim (2007); Jin and Sternquist (2004); and Kim and Kim (2005). However, as stated in North and Kotze (2004:32, 38), there is a need in South Africa to learn more about the shopping behaviour of consumers from black and other ethnic groups.

South Africa is a county where diversity is a part of life. The country consists of many urban, suburban and rural areas. Retail provision, in the form of shopping centres, has in the past, been focused mainly on big metropolitan areas, whereas small towns and rural areas were served by retail shops in the towns' centres, as well as informal trading in the rural areas (Cloete & Skinner, 2010:50). All the previous South African studies on shopping centre attractiveness focused mostly on urban shopping centres in the Gauteng province. This study will focus on a suburban centre in the Mpumalanga province.

Shopping centres are becoming a viable retail option for the many consumers who were previously only supporting small retailers and informal traders. The black middle class has, post-apartheid, 1994, been growing at an exponential rate and predictions for future growth, as well as fierce competition in the market, is providing new and unique challenges for the retail industry. Furthermore, retail growth and development have the potential to impact job creation, skills development, and social responsibility, as well as consumers' standard of living (Anon., 2013).

According to Berman and Evans (2013:33), retailing is facing complex challenges. The weak economy, changing needs, and the demands of consumers, in addition to the changing demographics, fierce competition from other retail options, as well as the changing face of the internet, are providing retailers with an assortment of opportunities – with challenges. Although the internet, or e-tailing, as it is called, has not destroyed the traditional retailers, it has changed consumer behaviour by exposing consumers to many more options, such as those to be found in the social media (Lusch *et al.,* 2011:6).

The challenges facing the retail industry in fast-growing suburban areas, like Nelspruit, are similar to those in the rest of the South Africa. Many more shopping centres are being planned for the next five to ten years, and these will be creating fierce competition (Anon., 2013). At the moment, the growing numbers of young black middle-class consumers are starting to outweigh the traditional shoppers in retail outlets such as Riverside Mall where the current target market indications are that 54% of the shoppers are from the black race group (Riverside Mall, 2012). Migration from the townships into the suburbs of Nelspruit has led to changes in the needs and demands of the previously disadvantaged consumers. A typical consumer at the Riverside shopping centre falls within the LSM 8 group. The shopping centre's trade area also includes Mozambique, as well as Swaziland, which provides a unique perspective on the culture and lifestyle of the shoppers in the centre (Riverside Mall, 2012).

Frasquet, Gil and Molle (2001) state that while the literature on store choice is quite extensive, the application to shopping centre choice is not as numerous. In the South Africa context little research could be found to investigating shopping centre patronage and shopping centre attractiveness. This lack of research, the challenging retailer environment and changes in the South Africa landscape after 1994 require a thorough understanding of the shopping centre patronage of especially black consumers. Insight into consumers' shopping centre patronage and behaviour can assist management and marketers of shopping centres to manage these centres more effectively, to more clearly position themselves in the market, and to promote the shopping centre in such a way that the overall image of the centre would thereby be enhanced.

1.3 THE RESEARCH OBJECTIVES

Researchers, such as Wong *et al*. (2001), Sit *et al*. (2003) and El-Adly (2007) declared that shopping centre patronage is reliant on the attractiveness of the shopping centre. Therefore the primary objective of this study is to determine the attractiveness of the Riverside Mall, a shopping centre in Nelspruit, a city in the Mpumalanga province of South Africa. Secondary to this, the study also attempts to investigate consumers shopping patronage behaviour as evident in distance travelled to the centre, mode of transport and patronage frequency.

The secondary objectives of the study are:

- To describe the demographical profile of respondents.
- To determine which modes of transport are used by shoppers when visiting the shopping centre.
- To determine the distance travelled to the shopping centre.
- To determine the frequency of visits to the shopping centre.
- To determine the overall attractiveness of the shopping centre.
- To determine if subgroups / factors exist among the shopping centre attributes.
- To determine if there are significant demographical (gender and age) and patronage behaviour (distance travelled and frequency of visits) differences and the shoppers' perceptions of the attractiveness of the shopping centre.
- To determine the effect of the various shopping centre attractiveness factors on the overall attractiveness of the shopping centre.

Based on the primary and secondary objectives, the following hypothesis are set and will be comprehensively motivated in Chapter 5 and 6 when discussing the research design; thereafter, it will also be addressed in Chapters 7 and 8, when discussing the analysis and results of the research.

H_0: **Male and female shoppers' perceptions do not differ regarding the overall attractiveness of the shopping centre.**

H_1: **Male and female shoppers' perceptions do differ regarding the overall attractiveness of the shopping centre.**

H_0: **Male and female shoppers do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

H_2: **Male and female shoppers differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

H_0: **Shoppers of different age categories perceptions do not differ regarding the overall attractiveness of the shopping centre.**

H_3: **Shoppers of different age categories perceptions differ regarding the overall attractiveness of the shopping centre.**

H_0: **Shoppers of different age categories perceptions do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

H_4: **Shoppers of different age categories perceptions differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

H_0: **Shoppers visiting the shopping centre at different intervals perceptions do not differ regarding the overall attractiveness of the shopping centre.**

H_5: **Shoppers visiting the shopping centre at different intervals perceptions differ regarding the overall attractiveness of the shopping centre.**

H_0: **Shoppers visiting the shopping centre at different intervals do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

H_6: Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

H_0: Shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre do not differ.

H_7: Shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre differ.

H_0: Shoppers travelling various distances to the shopping centre do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

H_8: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

1.4 IMPORTANCE AND BENEFITS OF THE PROPOSED STUDY

As stated in North and Kotze (2004:37), there is a need in South Africa to learn more about the shopping behaviour of consumers, and in particular, that of black cultural groups.

This study will explore the existing theory on shopping centre development, retail marketing strategies, consumer behaviour as well as shopping patronage behaviour.

This study will aim to contribute new insights into the theory on consumer behaviour – by focusing on the behaviours of the black consumers in a retail environment. The application of existing theory to the results and recommendations of the study should provide useful information on the relevance of the theory in the South African cultural context.

Contributions from the respondents in the focus groups, as well as the respondents in the personal interviews should provide practical insights into the development and management of shopping centres.

The delimitations of the study will be discussed next, followed by an explanation of the basic terminology and key words that are used in the study. A broad overview of the literature applicable for this study follows thereafter.

1.5 DELIMITATIONS AND ASSUMPTIONS

The research will focus exclusively on those patrons who visit the Riverside Mall in the city of Nelspruit the capital city of the Mpumalanga province. Only black shoppers above the age of 18 will be interviewed.

The basic assumptions underlying this study are as follows:

- The measurement instrument, which includes various attributes of shopping centre attractiveness, will provide adequate information to pursue the research objectives of the study.
- The patrons interviewed on a specific day and time will be representative of patrons visiting the shopping centre at any other time and day of the week.
- The patrons' level of literacy will be sufficient to complete the questionnaire.

1.6 DEFINITION OF KEY TERMS

The study involves a number of key concepts. These concepts are well-known in the field of marketing, but need to be explained in the context of the study.

Atmospherics is a concept described by Levy and Weitz (2004:700) as *"…the design of an environment via visual communications, lighting, colours, music and scent to stimulate customers' perceptual and emotional responses, and ultimately, to affect their purchase behaviour"***.**

The Black Diamonds form part of South Africa's fast-growing, affluent and influential black community. They consist of black middle-class South Africans, wealthy or salaried, in "suitable" occupations, who earn at least R 7000-00 per month, are well-educated and credit-worthy, and own or are currently acquiring homes, cars and household goods (Dardagan, 2005).

Living Standards Measurement (LSM) is used to segment the South African market. It cuts across race, to segment and group people, according to their living standards, using criteria, such as the degree of urbanisation and the ownership of cars and major appliances.

Motivation is, according to Hawkins, Mothersbaugh and Best, (2007:364) "…*a construct representing an unobservable inner force that stimulates and compels a behavioural response and provides specific direction to that response".*

Retail attractiveness relates to the satisfaction and value that customers receive from the shopping experience at a specific store. Satisfaction is an emotional outcome that results from a positive evaluation of a shopping experience (Stoel, Wickliffe & Lee, 2004:1067).

Retail crowding can be defined as *"…a psychological state that occurs when a person's demand for space exceeds the supply"* (Stokols, 1972:275).

Shopping centre attractiveness focuses on a range of factors that can contribute to the enjoyment, or at least satisfaction, of the shopping experience. These factors would include: comfort, entertainment, diversity, shopping centre essence, convenience and luxury (El-Adly, 2007:945).

A **shopping centre or mall** can consist of stores, food-courts, restaurants, cinemas, play areas, interactive entertainment and relaxation space (Terblanche, 1999:142). Usually, all the above can be found under one roof; and this makes it more time-effective and convenient for shoppers to shop there. The term shopping centre will be used throughout this study.

The study of **retail patronage** includes various aspects, such as, the relationship between consumer personality variables and store loyalty, patronage motives related to store selection, store image and consumer attitudes toward stores, attribute importance attributes of shopping centre or shop image, factors affecting consumers choices of shopping destination, shopping enjoyment and the patronage of a specific shopping centre (Bellenger, Robertson & Greenberg, 1977; Dennis, Marsland & Cockett, 2002; Hart *et al.*, 2007). According to Sirgy, Grewal and Mangleburg, (2000:127) retail patronage is linked to the effects that a retail environment have on the beliefs and preferences of a consumer. Sirgy *et al.* (2000:127) define retail patron image as the stereotypical images of different stores in the eyes of the patrons. The closer the match between this retail patron image and the consumer's self image, the more likely it is that the consumer will have a favourable image towards the store or patronise the outlet.

Way-finding is defined by Pasini (in Chebat, Chebat & Therrien, 2005:1591) as a complicated spatial problem-solving process. *"It is the cognitive ability to assimilate spatial information, make maps to find one's way, to make decisions and to execute these decisions".* It can also be seen as the selective process of acquiring information purposefully.

1.6.1 Abbreviations and acronyms

SCATTR – Shopping Centre Attractiveness.
UCT – University of Cape Town.
SACSC – South African Council of Shopping Centres.
GLA – Gross Leasable Area. This is the term used by the SACSC to classify shopping centres, according to size.
LSM – Living Standards Measurement. A classification used to profile the population into relative homogeneous groups, according to a wealth measure based on standard of living rather than income, developed by the South African Research Foundation, using 29 criteria.
GDP – Gross Domestic Product.

1.7 THE LITERATURE REVIEW

This section provides an overview of the current literature on shopping centre development, retail marketing strategy, as well as retail buying behaviour.

1.7.1 <u>Planned shopping centre development</u>

1.7.1.1 Background

Shopping centres have been in existence since the 1960s. According to the definitions provided by the International Council of Shopping Centres, a “mall” or ”shopping centre” is usually enclosed, climate-controlled and lighted, flanked on one or both sides by storefronts and entrances. The structures, layouts and function of shopping centres have undergone some development during the past decade (Ruiz, Chebat & Hansen, 2004:333).

Consumers are spoilt for choice in their shopping destinations because of the increasing quality and variety in the retail shopping environment (Terblanche & Boshoff, 2001:35). The options include: free-standing stores, centres that focus on specific needs, such as the new lifestyle centres, retail parks, multi-functional shopping centres, speciality and festival centres, and secondary retailing. The urban renewal drives, on which cities like Johannesburg have embarked, has led to increased visits to the city centre and ordinary street-front shopping strips (Prinsloo, 2010b).

The increasing variety of alternative shopping modes, such as mail, computer, television and telephone is also providing the consumer with more options.

According to Chebat *et al.* (2005:1590), shopping centres are developed on the premise of synergy, where the shopping centre is worth more than the sum of the stores. The fact that the stores are in close proximity reduces the non-monetary shopping costs of consumers; and it also provides a social meeting place.

In a study by Wakefield and Baker (1998:516), they found a decline in shopping centre patronage, due to the high similarity of shopping centres, with too much of the same merchandise. This – together with the fact that in today's busy life, consumers are strapped for time, and tend to limit their trips to shopping centres – has become important to provide an exciting shopping experience. Consumers seek to take full advantage of the time spent shopping; furthermore, people still engage in activities that they enjoy (Wakefield & Baker, 1998:516).

North and Kotze (2004:35) state that shopping centres are becoming brands on which consumers depend to satisfy their needs. As with any brand, the shopping centre brand also requires management's special attention. Shopping centre managers need to identify the target market and their needs, and to make sure that the shopping centres have a sustainable competitive advantage. Consumer patronage is not a given, and shopping centres need to make a conscious effort in ensuring the ongoing support for the centre.

These authors all agree that nowadays shoppers are more likely to frequent attractive shopping centres that can provide variety in products and services, and meet their needs and preferences. Customers that want to make the most of the time that they spend shopping will often drive past smaller or less attractive shopping centres to reach destination centres that have a better variety of stores and merchandise. The competition that shopping centres face includes not only stores and shopping centres close by, but also from retailers and centres outside the community (Sit *et al.*, 2003:80; Wakefield & Baker, 1998:516).

A brief overview of the evolution and development of shopping centres abroad, as well as in South Africa, now follows.

1.7.1.2 The global perspective

Shopping centres in their earliest form can be traced back to the ancient market squares and bazaars. The Grand Bazaar in Istanbul was built in the 15th century; and to this day, it is still used as a shopping centre – with 4 500 small shops in an area of 30 000 m² (Cloete & Skinner, 2010:4).

America is often seen as a mecca for shopping centres because of its focus on consumerism. The Country Club Plaza in Kansas City opened its doors in 1922. This was developed as the business district for a large-scale residential development by J.C. Nichols, who is generally seen as the first person to develop the concept of a shopping district away from the traditional city centre (Cloete & Skinner, 2010:7). Victor Gruen was hailed as the leading shopping centre developer in the USA during the 1950s, and his philosophy was to turn these commercial enterprises into vital centres of the community (Howard, 1985:451).

His visionary ideas to make shopping part of a network of social interaction, and to include as many non-retail activities in the design as possible, make sense and can be seen in many new shopping centre developments. Problems facing the shopping centre industry in the USA currently relate to those of any saturated market, as well as the changing face of the suburbs (Erikson, 2013; Anon., 2007:103).

Shopping centre developments in the UK and Europe started during the 1970s; although there is evidence of earlier smaller shopping centres or retail spaces in various cities. Most of the shopping centres in the UK are still developed in-town; and there are only a few regional centres. Even though the government in Britain has put a restriction on retail development during the 1990s, the established centres shaped the shopping and leisure patterns in the UK (Lowe, 2000:263). The rise of lifestyle shopping in Britain is evident in centres like Metrocentre at Gateshead, Thurrock in Lakeside, and Braehead in Glasgow.

These out-of-town centres or “edge cities” comprise many non-traditional retail activities usually found in shopping centres, and can include, *inter alia*, railway or bus stations, medical facilities, banks, and churches, as well as hotels and housing developments. The lifestyle shopping experience seems to be a trend taking place in Britain; and this also confirms the vision of many developers, such as Gruen, that shopping centres should become community centres that serve the social, cultural and civic needs, as well as the shopping needs of the customers.

Shopping centre development in Asia and the Far East has been experiencing a boom – mainly because of population figures, as well as the cost of land. Many of the shopping centres in Japan, Singapore and China are either largely multiple stories high or partly built underground (Cloete & Skinner, 2010:39). These centres are some of the largest in the world; and in fact, nine out of ten of the largest shopping centres are situated in Asia (van Riper, 2008).

1.7.1.3 The South African perspective

Many changes in the retail environment have taken place in South Africa since 1994, one of which is an increase in the number of shopping centres erected, especially in suburban districts and rural areas. According to Prinsloo (2013b:6), South Africa has approximately 1 785 formal shopping centres larger than 2000 m^2; and these cover in excess of 17 million m^2. Mpumalanga currently has 7% or 1 169 205 m^2 of this retail space (Kloppers, 2011:12).

The first boom period for shopping centre development in South Africa was between 1985 and 1994. During this time, almost 2,4 million m^2 of retail space was constructed. During the next boom period, between 2000 and 2005, almost 1,4 million m^2 of retail space was completed. The reason for the growth in shopping centres during the last 10 years is due to the high economic growth rate experienced in South Africa; this is coupled with an improved socio-economic profile of the population (Prinsloo, 2010a:133).

In 2011, the official population numbers in South Africa were 51,7 million, with no indication of the number of foreigners living and working in South Africa. One of the most significant changes in the South African demographics is the change in the LSM categories since 2002 (Prinsloo, 2010a:135). The LSM groups are a segmentation framework that use living standards, and determine the socio-economic status of consumers.

Studies that are regularly conducted by the South African Advertising Research Foundation indicate a clear increase in the middle sector of the market; and these increases can be attributed to the growth in the black-middle class. The number of households in the LSM 1-3 categories has shown a dramatic decrease. The highest increase occurred in LSM 4-6, as well as significant increases in LSM 7-10. This growth in the more-affluent segments is positive news for retail development.

In most of the regional centres, the customer base has expanded from a mainly LSM 8-10 to LSM 6-10 profiles. This has resulted in a better tenant mix, with broader appeal in most regional centres. These tenants include national clothing stores, restaurants and eating places, as well as home-ware stores (Prinsloo, 2008).

The development of shopping centres in the traditionally black areas is increasing, but is currently facing a few problems. Only 3% of the total shopping centres in South Africa larger than 30 000m² are currently situated in rural areas (Prinsloo, 2013a). The *per capita* income of the black population in certain areas is low; and usually, the buying needs centre on basic consumer goods.

No consumer market is static; and developers need to realise that the demographics within a market can change over time. It becomes important to developers to see these changes and to incorporate them into the upgrading or building of shopping centres.

The following section will deal with the retail marketing strategy, and will mainly focus on those factors that would influence the attractiveness of shopping centres.

1.7.2 Retail marketing strategy

The rise in the provision of shopping centres to those consumers previously not catered for is bringing new challenges to the shopping centre managers. Retail companies will have to adapt to and take action to keep up with the fast-changing landscape of retailing. The retailers need to develop and follow a carefully chosen retail strategy (Berman & Evans, 2013:40-41).

The marketing of shopping centres should be seen as an investment in the future of the centre; and this is becoming more retailer-oriented. Promotion is geared to selling, rather than merely creating traffic. Consumer behaviour, attitudes, and perceptions need to be constantly monitored and analysed to ensure a retail marketing strategy that would attract high-yield target markets. For that reason, marketers need to understand the factors that would play a role in making a shopping centre the shopping and social destination of choice.

1.7.2.1 The retailing concept and strategy

Levy and Weitz (2013:17) refer to a retailing strategy as the plan that retail companies should combine resources, in order to achieve their goals. Berman and Evans (2013:42) state that a good retail strategy should include a customer orientation, a co-ordinated effort, be value-driven and be goal-oriented. Retail firms should focus on building sustainable competitive advantages that could lead to mutually beneficial relationships between the retailers and their customers.

According to Levy and Weitz (2013:20), retailers should also focus on implementing a retail strategy – by developing a retail mix that would assist in building this competitive advantage, whilst still satisfying the needs of the consumers.

The retail mix can be seen as a combination of elements that would entice a consumer to spend time in, and purchase from, a retail establishment. This could include merchandise, price, advertising and promotion, customer service and personal selling, store layout and design and location (Lusch, Dunne & Carver, 2011:61). Elements of the shopping centre or retail outlet would combine in the mind of the consumer to form a certain image. This image might attract or repel the consumer. The correct combination of the elements that would make up a retail image is important for the success of the retail establishment (Berman & Evans, 2013:488).

1.7.2.2 The elements of a retail image

Retail image refers to the image of individual stores (or a shopping centre) and can be defined as: *"… the way in which a retail store is interpreted in the shopper's mind – partly by its functional qualities, and partly by an aura of psychological attributes"* (Martineau in Sit *et al.*, 2003:81). Shopping centre image studies focus on those attributes that contribute to the building of an image that encompasses the totality of the centre, and is not only reliant on the stores. The additional considerations could include, amongst others, atmospherics, parking, safety, ambience and luxury.

The ground-breaking study on the assessment and prediction of shopping centre patronage was conducted by Martineau in 1958 (Sit *et al.*, 2003; Wong *et al.*, 2001). Martineau as well as other researchers, such as Wong *et al.* (2001), Sit *et al.* (2003) and El-Adly (2007) declared that shopping centre patronage is reliant on the attractiveness of the shopping centre. Martineau conceptualised the retail centre image as a multi-dimensional construct, consisting of distinct attributes, such as merchandising, accessibility, service, and atmospherics.

Earlier studies of shopping centre image have mainly focused on four key attributes, namely: merchandising, ease of access, services, and atmospherics (Lindquist in Sit *et al.,* 2003:81). However, only a few studies have incorporated entertainment, food and security, as shopping centre image attributes. The entertainment mix, in particular, has sparked interest by many researchers, such as, Sit *et al.* (2003:83) and El-Adly (2007:941). Consumers will visit centres for this entertaining and pleasant ambience, as well as the safe shopping environment (Sit *et al.,* 2003:81). The study conducted by El-Adly (2007:943) also indicated that security is a major concern contributing to the overall image of a shopping centre, and more specifically, to the patronage thereof.

The typology of the elements of the physical shopping environment was tested and used to determine irritants in the shopping environment in a study by d'Astous (2000:150). The findings of this study concluded that women appear to be generally more irritated than men, but that the impact of age on the extent of irritation that shoppers experience, would depend on the specific irritating factor. d'Astous (2000:156) further states that ambient and social factors generate more irritation for shoppers than do the design factors.

By eliminating or minimising these factors, one could enhance the shopping experience, and render it more pleasant for the shopper. Shopping takes place, regardless of the presence of these factors or not. The reason why these factors are important is because of the stiff competition in the market place, and the need for a shopping centre to rise above mere mediocrity, to become the shopping destination of choice.

Through the implementation of a marketing retail strategy, the shopping centre can strengthen its image and position in the market place, and develop a compelling brand personality. This brand can become the sustainable competitive advantage that could make one shopping centre stand out amongst the rest.

1.7.3 <u>Consumer behaviour in a retail context</u>

The field of consumer behaviour is defined by Hawkins *et al.* (2007:7) as *"….the study of individuals, groups, organisations and the processes they use to select, secure, use and dispose of products, services, experiences or ideas to satisfy needs, and the impact that these processes have on the consumer and society".*

Various models have been developed by researchers to try and explain the evolution of consumer behaviour. External factors, as well as internal factors, influence the behaviour of consumers, as they can create a self-concept and lifestyle that has serious implications in the decision-making process when a consumer purchase products and services.

As individuals encounter relevant situations, the consumer decision making process is activated, the steps in the consumer decision-making process are: step 1; problem identification, thereafter step 2 will be the search for information. The consumer would actively or subconsciously search for information that would lead to a solution to the problem. All the possible solution alternatives are weighed against each other in step 3; and a selection is made of the best option. Step 4 involves the option selection as well as the outlet selection that would have to be made where the purchase would usually take place.

For the purpose of this study we are concerned with shoppers' perceptions of the attractiveness of the outlet or shopping centre, as well as those factors that make a shopping centre attractive to a potential consumer. The factors that would have an influence on the evaluation of outlet attractiveness should be included in the retail strategy that shopping centres follow, and these factors should provide a basis for developing a sustainable competitive advantage, as explained in the previous section.

Hawkins and Mothersbaugh (2013:583) identify outlet image, retails brands, retail advertising and outlet location, as the important attributes to evaluate the suitability of the outlet.

The shopping centre where the survey will take place is situated in a small city that can be classified as a suburban region. The nature of the area where the shopping centre is situated will provide unique insights into the question of location and the role that distance plays in supporting a shopping centre.

It is generally assumed that consumers make choices based on a rational thought process, and that they would have sufficient skills to make a choice that would optimise value. Unfortunately, consumers show limited rationality (a limited capacity for processing information) (Hawkins *et al.*, 2007:567). In addition to this, the goals of the consumer might prohibit them from choosing the optimal alternative. Many consumer decisions are based on an emotional response to the brand. Marketers need to take this into consideration, and to plan their strategies to accommodate this type of thinking.

After the purchase, most consumers would engage in a process of post-purchase evaluation – where a consumer would evaluate the purchase, and reflect on the suitability of the purchase, as well as the outlet in solving the problem (Hawkins & Mothersbaugh, 2013:26).

The external factors that would influence the way a consumer experiences and acquires services and products, refer to the possible influences from the consumer's immediate environment, such as the demographics, family, reference groups, social status, marketing activities and culture. Internal factors include perceptions, learning, memory, motives, personality, emotions and attitudes. For the purpose of this study, the external factors relating to culture and demographics are of particular importance.

As the aim of the study is to determine the perceptions of black consumers to the attractiveness of shopping centres, a closer look at the role of culture as an external influence on retail buying behaviour is now necessary.

Culture is a comprehensive concept that includes everything that influences an individual's thought processes and behaviours. This influence does not concern biological drives, but rather how and when these drives could be gratified. According to Peter and Olson (2010:280), culture pertains to those meanings that are shared by most people in a social group. Neal, Quester and Hawkins (2006:524) include variables, such as knowledge, beliefs, art, laws, morals, as well as customs, and all other habits under the umbrella of culture. Thus, culture would influence beliefs, values, attitudes, habits.

Because of the shared values of culture, these values are transmitted from one generation to the next – by the members of that society – through language, habits and symbols.

Culture sets limits or rules on behaviour that specify or prohibit behaviour in certain situations; these are called norms. These norms are derived from widely held beliefs and affirmation of the desirable behaviour; and these are called cultural values (Hawkins *et al*., 2007:43). Non-compliance to these norms results in penalties, or sanctions, that can be as severe as banishment from a group, or as mild as mere social disapproval.

South Africa can be classified as a developing country, where changes in lifestyles and values are an ongoing process. Although there is a big outcry for a more united nation, one cultural tradition would not be an option; and South Africans should rather strive for cultural synergy (Rousseau, 2007a:47). The problem lies in the differences between western European culture, also called Eurocentric culture, and African cultures, called Afrocentric culture. Eurocentric cultures are more task-oriented; while African cultures tend to be more relationship-oriented. Dreyer and Schreuder (1996:5) described Afrocentricity as "…*being a good member of the community, and living and enjoying life, rather than acquiring material wealth. It is essentially about people accepting their destinies, rather than having obsessions to control them. A sense of belonging, group* *recognition, acceptance by peers, and accountability to the community are more important than individual success and profit".*

Opinions from black middleclass citizens indicate that the transition to the new-found luxury of a middle-class lifestyle can be problematic. The move from a sharing culture to an emphasis on material welfare requires a huge cultural adjustment (Anon., 2006).

Changes in the demographics and shopping behaviour of consumers have a huge impact on the retail industry. Factors that play a role in retail growth involve the growth of the population, and urbanisation, as well as socio-economic change. According to Prinsloo, (2010a:134) the urban population in the LSM 1-5 categories is growing fast. This migration from rural areas, as well as the increase in the number of people that fall into the LSM 4-6 and LSM 7-10 categories indicates a higher demand for products and services.

According to researchers that have conducted various research studies on the black middle class in South Africa, it is difficult to predict the exact extent of this buying power, but it was estimated at R250 billion in 2008 (Anon., 2008).

A subculture is a particular segment within a larger, heterogeneous society. In South Africa, ethnic subcultures are based on the language spoken, religion and ethnicity. To some extent, there could also be subgroups formed that are based on age and gender. To understand and incorporate the cultural differences into the marketing strategy, in order to accommodate the different groups, has become a huge, but essential, task for marketers and managers alike. Culture will be discussed in more detail in Chapter 4.

1.7.4 <u>Shopping centre patronage and behaviour</u>

The study of retail or shopping patronage includes various aspects, such as, the relationship between consumer personality variables and store loyalty, patronage motives related to store selection, store image and consumer attitudes toward stores, attribute importance attributes of shopping centre or shop image, factors affecting consumers choices of shopping destination, shopping enjoyment and the patronage of a specific shopping centre (Bellenger *et al.,* 1977; Dennis, Marsland & Cockett, 2001; Hart, Farrell, Stachow, Reed & Cadogan, 2007; Sit *et al*., 2007). While shopping or store choice behaviour refers to aspects such as patronage frequency, travel time to the store or shopping centre, shopping expenditure levels and mode of transport (Ou, Abratt & Dion, 2006; Dennis, Murphy, Marsland, Cockett & Patel, 2002). Ganesh, Reynolds and Luckett (2007) argue that the two most common methods to examine patronage behaviour are shopping motivations and store attribute importance.

1.7.5 Determinants of shopping centre attractiveness

1.7.5.1 Merchandise/Tenant mix

Merchandise relates to the quality, selection, style and price of the products. In a retail outlet, such as a shopping centre, that would relate to the tenant mix. The tenant mix is described by Snyders and Cloete (2010: 334), as the allocation of stores within a retail complex – in terms of space, price points, and mutual relationships. The objectives of choosing the optimal tenant mix would be to achieve benefits for the centre's management, the tenants, as well as for the consumers. This view is echoed by Kim (2000:598) that argues that in a shopping centre environment, the plan for the merchandise elements would be focused on the tenant mix.

1.7.5.2 Entertainment

Consumers are more likely to frequent a shopping centre that has some form of entertainment provided in the tenant mix (Wakefield & Baker, 1998; Frasquet, Gil & Mollá, 2001; Sit *et al*., 2003).

The trend to adding entertainment and experiences to the retail mix is termed retail-tainment (White, 2010). In order to meet this need, a shopping centre should offer good quality public space, places where people can meet, and places to relax. This would include restaurants, in addition to movie theatres, and indoor, as well as outdoor spaces (Prinsloo, 2010). Shopping centres are becoming giant entertainment centres – in a bid to make them a choice destination in the eyes of the consumer (Sit *et al*., 2003:84; El-Adly, 2007:946). Barnes (2002) argues that South African shopping centres are increasing utilising entertainment, not only to draw customers to the centre, but also to build long term relationships.

1.7.5.3 Service

According to Sit *et al.* (2003:83), service is an integral part of the offer that is presented to consumers. Excellent service delivery, where customers' expectations are met or exceeded can also be a basis for sustainable advantage if the shopping centre or retailer competes for the same customer base (Sullivan & Adcock, 2002:234).

Service levels relate to return policies, the sales personnel, as well as the service delivered by the shopping centre in terms of its own personnel. It is part of the responsibility of centre management to monitor the performance of the tenants. Hartnardy (2010:628) defines quality as "...meeting or exceeding customers' expectations." According to Hartnardy (2010:624), the most profitable business is repeat business, which implies that quality service delivery is not negotiable.

1.7.5.4 Physical facilities

The first impressions of the physical shopping environment are used by potential shoppers to form perceptions of their future shopping experience. The visual impact of design, as well as the general ambience and fellow shoppers, can play a role in the shopping experience. According to Wakefield and Baker (1998:531), the physical environment of the shopping centre influences a consumer's first impression and initial level of enthusiasm or excitement. Added attributes that relate to patronage and re-patronage behaviour include decor and design; architectural elements are used by developers to increase the drama of shopping centre interiors and to satisfy consumer- seeking sensory stimulation (Ahmed, Ghringold & Dahari, 2007:334).

Layout and signage aid with way-finding and plays an important role when shoppers from different geographical areas visit the shopping centre. According to Teller and Elms (2010:28) convenience relating to searching, locating and accessing stores and other tenants within a shopping centre can influence the evaluation of attractiveness of the shopping centre in its totality.

Parking is an important factor in the design and layout of a centre, as it may be regarded as the start of the shopping experience. According to Teller and Elms (2010:27) this includes the availability of free parking spaces and the type of parking facilities. Sit *et al.* (2003) propose that adequate parking facilities are one of the tools to attract patrons to a shopping centre. The study conducted by El-Adly (2007:943) also indicated that security is a major concern that can contribute to the overall image or attractiveness of a shopping centre, and more specifically the patronage thereof.

1.7.5.5 Convenience

Consumers have become more sophisticated in their demands, and the needs and convenience to consumers have become of paramount importance in the design of shopping centres (d'Astous, 2000:150; Sit *et al.,* 2003:83). The value that a consumer would derive from shopping in a shopping centre would relate to convenience, with reduced resource expenditures like time, energy and money (Kim, 2002:598).

Location and parking become important in our time-strapped lives and influence convenience. According to Wong *et al.* (2001:79), Sit *et al.* (2003:83) and El-Adly (2007:941), location should be linked to convenience. Wong *et al.* (2001:78) assert that a shopping centre should be conveniently located close to public transport and within a retailing belt. This is an important factor in the planning of shopping centres in South Africa with the public transport almost exclusively reliant on taxi's.

The location of shopping centres is planned through a process of market research and town planning. According to Prinsloo (2010a:156), an optimal location would allow ready access and attract a large number of customers, as well as ensuring an increase in potential sales. Location, being a long-term investment, is the most crucial factor; and even a slight error in judgement could lead to substantial economic losses (Prinsloo, 2010a:156).

1.7.5.6 Atmosphere

The general atmosphere that a shopping centre offers would draw consumers in and keep them satisfied with their shopping experience. Ambient factors or atmospherics relate to the stimuli that exist in the background of a shopping centre, of which consumers are not always consciously aware and may include pleasant background music, fashionable colour schemes, and modern decor, well-lit areas and air-conditioning (Wakefield & Baker, 1998:517; d'Astous, 2000:150; Berman & Evans, 2013:491). Sit *et al*. (2003:83) state that consumers could use atmospherics as environmental clues to imply the quality of the centre. Hawkins *et al*. (2007:622) argue that a centre's atmosphere would have a direct influence on the mood or emotional state of a consumer, and on the willingness of a consumer to visit and linger in a centre.

According to Kotler (1973:48), store atmosphere is often more important than the product itself; and this author therefore advises that spatial aesthetics should be carefully and meticulously planned, together with the 4 P's and other marketing tools. The importance of correctly planning for atmospherics lies in the distinction between the intended and the perceived atmosphere. Levy and Weitz (2013:489) relate the success of a good atmospheric design to the five senses. The belief is that the atmospheric elements should work in synergy to rouse customers' perceptual and emotional reactions, and in due course, entice them to purchase.

1.7.5.7 Overall satisfaction/attractiveness

Post-transaction, or the overall satisfaction, that a consumer would experience relates in a broad sense to all the above factors that should be in place, in order to provide a positive image of the shopping outlet. Post-purchase satisfaction would also play a role.

The amount of research that has been conducted by researchers from as early as the 1950's indicates the importance of understanding patronage motives. According to Farrag *et al*. (2010:96) there is a homogeneity in shopping centres across the world and many look similar, however the local variations in culture, values and the economic conditions of the country provide a different enunciation of the shopping centre phenomenon and understanding the consumers preferences becomes paramount.

1.7.6 <u>Shopping patronage behaviour</u>

The next few characteristics that are discussed were used in this research to facilitate a better understanding of what constitute a typical shopper in the shopping centre.

1.7.6.1 Demographical characteristics effects on shopping behaviour

Consumer characteristics have an influence, and are an example of how the demographic and psychographic profile of consumers plays a role in the patronage of retail formats (Carpenter, 2006:5). Education, income levels, gender and age structures influence personal values, lifestyles and decision styles (Neal *et al*., 2006:388).

1.7.6.2 Travelling to shopping centres

According to Berman and Evans (2013:292), pedestrians, as well as vehicular traffic, are important considerations in site evaluation when a new shopping centre is planned. Traffic counts of the amount of vehicles passing by, as well as the extent and timing of congestion should be recorded. Further to this, there is the distance or range that someone would be willing to travel to support a particular centre. Travel time to a shopping destination is often viewed as the outcome of the trade-off between total costs of travelling to the shopping destination and benefits derived from the attractiveness of the destination (Ou *et al.,* 2006:223). This view is supported by Grewal, Kopalle, Marmorstein and Roggeveen (2012:438), whom state that the distance that a potential consumer will travel to a particular retail outlet depends on the drawing power that the outlet has for the consumer and the consumers' needs for the specific merchandise it offers.

1.7.6.3 Frequencies of shopping centre visits

Previous research indicated that there is a probability that if a shopping destination has a favourable reputation; shoppers would increase their shopping trips to that destination (Darley and Lim, 1999 in Ou *et al*., 2006).

Ou *et al.* (2006:224) hypothesised that "...there is a positive relationship between consumers' perceived reputation of the retailer and store patronage frequency".

1.8 THE RESEARCH DESIGN AND METHODS

Research design outlines the plan for the research project; and it is used as a framework and guide for the collection of data and the analysis of the data. According to Wiid and Diggines (2009:56), formulating a research design should include the following elements.

Data sources needs to be identified, after which the primary research methods should be selected. Based on the objectives, as well as the research design, a research instrument or data-collection tool needs to be developed. The sample plan is then developed and implemented, when choosing those respondents that would contribute to the data collected and prepared for the data analysis.

The steps followed in the research design process will be briefly explained in the sections 1.8.1 to 1.8.8; and a detailed description will be provided in Chapter 6.

1.8.1 The data sources

The study made use of two types of data. The secondary data consisted mainly of a literature review. The researcher made use of extensive secondary information to support her arguments, find rationale, and explain various concepts and principles. This secondary information were obtained from relevant sources in books, accredited journals, electronic data sources and previous research studies that relate to shopping centre attractiveness. The literature on planned shopping centre development, retail marketing strategy, retail buying behaviour and shopping patronage behaviour are discussed in Chapters 2 to 5. The primary data were obtained from the empirical research.

A formal research design was used to test the hypotheses, which have already been stated.

1.8.2 The primary-research methods

A two-stage research design, also called pluralistic design, was used for this study (Berndt & Petzer, 2011:45). Phase one was a qualitative design; and stage two a quantitative design. Focus groups and personal interviews were used for exploratory-research purposes. A focus group is a group of people within the population group that will be led in discussion by a moderator. The discussion focused on the topic, and was be semi-structured, but with an agenda that directed the discussion.

A group of between 6-10 respondents was gathered in a central location. The interviewer introduced the topic and encouraged participation. The importance of such a discussion is to stimulate interaction between the respondents as a group (Wiid & Diggines, 2009:89). The information obtained during these interviews was used in the confirmation and development of the questionnaire.

Personal interviews were also conducted with relevant stakeholders. Personal interviews should be relatively unstructured, extensive interviews. Although questions should develop spontaneously during the interview, the research subject must still be structured. The people who were interviewed included the managing director of Urban Studies, a market-research company specialising in market research mainly in the shopping centre market, two members from Purple Plumm Brand Communications and the managing director of a retail strategy and leasing company called Network Services. All of the above people are members of the South African Council of Shopping Centres.

A quantitative, descriptive survey research study was conducted next. This type of study is cross-sectional, as a snapshot of the variables concerned will be taken at a given point in time. The research was conducted under field conditions, where respondents were interviewed, as they were visiting the shopping centre.

A questionnaire was compiled and distributed within the shopping centre during an intercept survey. A section on demographics was included with the aim of providing a description of the demographic information of shoppers in general.

1.8.3 Questionnaire design

A structured questionnaire was used to obtain information from the respondents in the intercept survey. This questionnaire was based on the existing SCATTR scale developed by Wong *et al.* (2001) as well as Bellenger *et al*. (1977); Frasquet *et al*. (2001); Sit *et el.* (2003), and adapted for South African conditions by North and Kotze (2003). The objectives of the study were taken into account, when the questionnaire was drafted. The outcomes from the focus groups discussions and interviews were used to verify, confirm and adapt the questionnaire.

The main purpose of this study is to ascertain the perceptions of black consumers to the attractiveness of a shopping centre; therefore a 6-point Likert scale will be used. Several structured questions relating to demographic data and shopping patronage behaviour were also included. The motivation for using this form of questions is that rating scales are often used to obtain opinion data, and are regarded as a recognised attitude-measurement technique (Dillon, Madden & Fritle, 1994:314).

All criteria for the construction of the questionnaire were taken into account. Potentially embarrassing questions was placed at the end of the questionnaire. A logical sequence of questions was ensured. The construction of the questions was kept as simple as possible. Clear instructions on how to answer the questions was provided. The questionnaires were kept as short as possible, since people in a shopping centre are often in a hurry; and therefore, they do not want to spend time on a lengthy questionnaire.

The questionnaire was pre-tested with respondents that fit the population profile; and these individuals was chosen by judgemental or convenience sampling. The pre-testing was done to ensure a proper understanding of the questionnaire, as well as to ensure that the questionnaire will provide answers to the research question (Tustin, Ligthelm, Martins & van Wyk, 2005:240).

1.8.4 <u>Sampling</u>

1.8.4.1 The target population

According to Cooper and Schindler (2003:179), a population consists of the entire compilation of elements from which the researcher aspires to draw conclusions. The population of the study consisted of black consumers above the age of 18, who have visited the identified shopping centre in Nelspruit.

1.8.4.2 The sampling method

Samples are subsets of the target population that are used as respondents from which to obtain the data. Using the intercept method prescribes that non-probability sampling will be used as the chance (probability) of selecting members from the population in the sample is unknown. Non-probability sampling was chosen, as the characteristics of this method have particular appeal – due to the financial and time constraints. It is also impossible to obtain a list of shoppers (sample frame) on a particular day at any shopping centre. According to McDaniel and Gates (2001:336), non-probability samples can produce samples of the population that are reasonably representative. However, according to Wiid and Diggines (2009:199), generalisation outside the group of sample units is not permitted or possible when using non-probability sampling.

Tustin *et al.* (2005:344) highlight the major drawback of this type of sampling as being that a statistical evaluation of the sampling error cannot be undertaken. Measures have to be undertaken to minimise the sampling errors. This was attempted in the following way: questionnaire design errors were prevented by following the guidelines for constructing a questionnaire, and by using the focus group data for confirmation of the usability of the questionnaire. Cross-checking, computer checks and pre-coding was used to avoid coding and data-capturing errors. Respondents' errors were addressed by making sure that the questionnaire was kept as short as possible, and that embarrassing and humiliating questions were kept to a minimum. Interviewer errors were limited by making use of a structured questionnaire. Non–response errors can also affect the results, and should be avoided if possible. According to Cooper and Schindler (2003:200), as well as Bless and Higson-Smith (2000:86), non-probability sampling is more cost-effective, faster, and effective when there is little variance among the population elements.

During the intercept at the shopping centre, convenience sampling was used. The respondents was selected on the basis of them being conveniently available on the day of the survey, and judged by the researcher to comprise a representative sample.

1.8.4.3 The sample size

Tustin *et al.* (2005:361) state that statistical calculations of sample sizes can only be done for probability-sampling methods, as there is no statistical formula for prior calculation of the size of a non-probability sample. This method cannot be considered to be statistically representative of the total population (Saunders, Lewis & Thornhill, 2003:175). The rationale for choosing this method being that no sample frame exists, and the size of the population is not determinable.

Furthermore, this study concentrated on the practical concerns, such as resources – in terms of money, time and personnel, all of which impacted on the size of the sample. Keeping this in mind, and to prevent the non-response error associated with non-probability sampling, a sample size of 400 respondents was deemed to be sufficient. Quota sampling was used in qualifying the respondents, ensuring an equal spread of respondents across age and gender groups.

1.8.5 Data collection and preparation

Before data collection could take place, ethical clearance from the University of Pretoria was obtained as well as consent from the management of Riverside Mall.

1.8.5.1 Interviewer / fieldworker training

In collecting the information, fieldworkers or interviewers was used. The third-year Marketing-Research students of the Tshwane University of Technology (TUT), studying at the Nelspruit campus, were used to conduct the fieldwork. Full training was provided to all the fieldworkers.

The students were monitored while the data collection took place – by conducting random spot checks. This monitoring was done by the marketing research lecturers of TUT on the Nelspruit campus, as well as by the researcher. The data collection took place over a period of two days, in order to ensure that the quota of 400 respondents at the shopping centre was reached.

1.8.5.2 Data preparation

The questionnaire was assessed by a statistician before the final draft. This assisted in the data capturing and in the analysis of the data. The questionnaires were firstly checked for consistency and completeness. According to Diamantopoulos and Schlegelmilch (2000:40), data cleaning has to be performed, to ensure that there are no omissions, ambiguities and errors in the responses. This could also be prevented by not asking ambiguous questions, and by pre-testing the questionnaire. Non-responses can be defined as missing values; questionnaires that contain a great number of missing data were disregarded.

Data cleaning was done by making use of wild-code checks. This comprised those codes that are not defined for a particular variable, and extreme-case checks, which are those responses that fall outside the ordinary range of responses.

During the editing process, the correctness and completeness of all the questionnaires will be checked. Evidence of omissions, incompleteness, unusable responses and illegibility will be searched for. Field editing can be used to clear any misunderstandings regarding fieldwork at an early stage; whereas central office editing requires a more meticulous inspection and amendment of the completed questionnaire (Wiid & Diggines, 2009:229).

Thereafter, the data was coded and captured on a data-analysis computer program. The process of coding is the procedure of data categorising. According to Wiid and Diggines (2009:230), coding translates raw data into symbols, usually numbers. The coding of data was done in a numerical way, according to a codebook that was developed in advance (pre-coding). The reason for using pre-coding was mainly because close-ended questions and scaled questions was used, for which answers can be anticipated from the questionnaire. Each completed questionnaire was also assigned a number.

1.8.6 Data analysis

Descriptive and inferential statistics was used to analyse the results and to draw conclusions, and make recommendations.

Descriptive statistics make use of the frequency of occurrence, central tendencies, means, medians, modes and standard deviations to describe the results obtained. The data from this study can be defined as ordinal data, nominal data, as well as interval data.

Inferential statistics was used to test the hypotheses that were formulated. Factor analysis was used to observe the correlations amongst some of the variables, and to discover clusters of highly consistent variables that reflect fundamental themes within the data (Leedy & Ormrod, 2005:274). Factor analysis is thus used to group together those factors with similar characteristics.

Other statistical tests that were performed included multiple regression analysis and testing the hypotheses by using parametric as well as non-parametric tests. The parametric tests that were used were the independent sample t-tests and ANOVA tests. According to Pallant (2010:239), these tests are used to test for differences between groups. Non-parametric tests will be used in cases where the parametric test cannot be used due to the violation of the specific parametric test's assumptions. The non-parametric alternative for the independent sample t-test is the Mann-Whitney U test and the non-parametric test alternative for the ANOVA is the Kruskal-Wallis test.

1.8.7 Reliability

Reliability refers to the degree to which the results of a research design will yield similar results by means of another researcher, or the degree to which the research could consistently be duplicated, in order to yield the same results. A measurement error – in other words a measurement instrument, which does not produce the same scores every time it is used – is usually the primary source of unreliability (Bless & Higson-Smith, 2000:126; Dillon *et al.,* 1994:323).

The approach that was used in this study is Cronbach's alpha, which is a mean reliability coefficient that is computed from all possible split-half partitions of a measurement scale (Dillon *et al.,* 1994:323). The cut-off for reliable Cronbach's alpha (0.7) was used (Pallant, 2010:97). In item analysis, the researcher identifies the items within the instrument – that are not rendering useful information – by drawing correspondence between items.

These unreliable items can then be replaced with more reliable items (Bless & Higson-Smith, 2000:127).

1.8.8 Validity

Validity refers to how the measurement scale would measure what it is supposed to measure, and yield answers to the construct under study. According to Dillon *et al.* (1994:324), validity would depend on whether there is any non-random error present.

A measurement scale can, therefore, be reliable, when it produces steady and secure results over time, but it might still be invalid. The opposite is true, however; a measurement scale that is unreliable cannot be valid. In this study, a questionnaire that is appropriate to the research problem and purpose is used. The questionnaire was pre-tested and the information was used to eliminate problems, such as irrelevant questions and problems with the completion and understanding of the questionnaire.

Researchers can use various forms of validity to confirm that they have measured the truth. These include: content validity, criterion validity and construct validity. The forms of validity will be discussed in detail in Chapter 6.

1.9 CHAPTER OUTLINE

Chapter 1 has elaborated on the research problem, the objectives and the hypotheses, as well as the relevant literature linked to shopping centre development and strategies, in addition to consumer behaviour. The rest of this thesis will be divided into the following chapters:

Chapter 2: Planned shopping centre development
This chapter will provide an overview of the development and the history of shopping centres all over the world. It will then focus on South Africa, and also investigate current and future trends in the shopping centre industry.

Chapter 3: Retail marketing strategy
This chapter will focus on the strategies that a marketer would need to use to meet the needs, wants and desires of a specific group of customers. Discussions on the factors that influence a retail image, and that make a retail outlet attractive, will also be included.

Chapter 4: Consumer behaviour in a retail context
This chapter will focus on consumer behaviour. A number of consumer behaviour models will be discussed, such as the model of Hawkins, Mothersbaugh. This will be used as a foundation for the discussion on the decision-making process that the consumer experiences.

Chapter 5: Shopping centre patronage and behaviour
This chapter will focus on the various attractiveness attributes that contribute to patronage of a shopping centre. Furthermore the chapter will explore various variables that might also influence the patronage of the shopping destination.

Chapter 6: Research methodology
The research design and procedures will be discussed in this chapter.

Chapter 7: Research results

The findings of the research will be presented in Chapter 7. The chapter will start with the results from the focus groups and personal interviews; and it will then present the results from the intercept survey.

Chapter 8: Conclusions and recommendations

This chapter will conclude the study by drawing conclusions, describing the limitations, implications and make recommendations for future research.

1.10 CONCLUSION

In the fast-changing world of retailing, marketers need to be alert and pro-active in their actions. Shopping centre development is a billion-rand industry that provides opportunities for retailers and developers alike. The changing face of consumers in South Africa – with the increasing spending power shifting towards the black consumers – makes it crucial for retailers to change and adapt to the new consumers' behaviours and needs.

Knowledge on this new market is limited; and this study aims to explore the unique perceptions of the black consumer in a shopping centre environment.

The next chapter will focus on the development of the shopping centre phenomenon globally, and in South Africa particularly.

CHAPTER 2

PLANNED SHOPPING CENTRE DEVELOPMENT

2.1 INTRODUCTION

The South African retail environment has witnessed a tremendous growth in the establishment and renovation of shopping centres across South Africa over the past ten to fifteen years. These developments have not only taken place in cities, but also in many of the rural areas across South Africa (Prinsloo, 2010a).

Consumers are spoilt for choice in their shopping destinations, mainly because of the increasing quality and variety in the retail-shopping environment (Terblanche & Boshoff, 2001:35). According to Prinsloo (2005), developers are no longer concerned with only building retail centres to serve basic shopping needs. New projects are appealing to consumers' changing lifestyles. The rise of the "lifestyle centre" is evidence of this and would provide consumers with the satisfaction of their normal retail needs, in addition to a lifestyle of designer ambience and other amenities.

According to Chebat *et al.* (2005:1590), shopping centres are developed on the premise of synergy; this implies that the shopping centre is worth more than the sum of the stores. The fact that the stores are in close proximity reduces the non-monetary shopping costs of consumers and also provides a social meeting place.

The wide variety of shopping centres and other shopping venues / channels has created a more selective shopper. Shoppers are more likely to frequent attractive centres that can provide variety in products and services, and can meet their needs and preferences. Customers that want to make the most of the time that they spend shopping will often drive past smaller or less-attractive centres to reach destinations (shopping centres) that have a wider variety of stores and merchandise (Kupke, 2004).

The competition that shopping centres face includes not only stores and shopping centres close by, but also from retailers and centres outside the community.

The structures, layouts and functions of shopping centres have undergone some development in the past decade (Ruiz, Chebat & Hansen, 2004:333). The urban renewal drive that cities like Johannesburg have embarked on has also increased visits to the ordinary street-front shopping centres. The increasing variety of alternative shopping modes, such as e-mail, computer, television and telephone, is giving the consumer more options. The growing number of big shopping centres presents a novel, and exciting shopping experience (Prinsloo, 2010b).

The recent growth in the establishment of shopping centres, especially in the bigger metropoles has raised many questions about the feasibility of these establishments (Prinsloo, 2010:28). According to both Wakefield and Baker (1998:51), and Kupke (2004), managers must realise that a shopping centre must be efficiently managed and constantly promoted and improved.

The term shopping centre has also evolved over the last 50 years. Levy and Weitz (2013:218), as well as Hasty and Reardon (2001:229), describe a shopping centre as "…*a group of retail and other commercial establishments that is planned, developed, owned and managed as a single property*". Berman and Evans (2013:330) agree with this definition; but they add the element of a balanced tenant mix, as well as parking facilities.

Lusch, Dunne and Carver (2011:231) define a shopping centre as "...*a centrally owned or managed shopping district that is planned, has balanced tenancy (the stores complement each other in merchandise offerings), and is surrounded by parking facilities".* This definition encompasses the spirit of a shopping centre. In essence, a shopping centre is the solution to the location problem, where the centre brings shopping closer to the people. The rise in regional shopping centres over the last half century brings proof of that. Shopping centres bring growth to the regional economy because they provide opportunities for commercial exchanges, and they maintain a number of jobs – both directly and indirectly (REMI Consulting, 2006).

According to Ooi and Sim (2007:111), a shopping centre would offer a shopper a clean urban experience with all the amenities under one roof, but without the related negatives, such as traffic congestion, overcrowding or security issues.

Ganesh, Reynolds and Luckett (2007:369) argue that an examination of consumers' retail patronage behaviour has to start with a comprehensive understanding of retail institutions and their evolution. Therefore this chapter will provide a broad historical overview of shopping centres across the world. Attention will be given to the most prominent developments in the USA, Europe and Britain, Asia and the Far East, Australia, Africa; and then the focus will shift to South Africa.

2.2 AN HISTORICAL OVERVIEW OF THE EVOLUTION OF THE SHOPPING CENTRE CONCEPT

Trading has existed since the beginning of time; producers of goods met up with consumers to trade goods, and later money for goods. The public market is historically one of the oldest forms of shopping environment; and it is still very relevant today in developing countries throughout the world. A form of this is the farmers' market, flea markets and retail bazaars that are still evident in many countries. After the public market, the local grocery store or general store was developed – this, however, did not provide the social interaction or the variety that could be found at the public market (Cloete & Skinner, 2010:3).

During the 1930s a one-stop supermarket concept was developed. After the Second World War, and more specifically during the sixties, shopping centres became prominent in all major centres. A markedly 20^{th} century phenomenon, the shopping centre has evolved to become a social centre – where consumers not only go to shop, but also for social and recreational activities (Cloete & Skinner, 2010:4).

The following is a discussion on the evolution of the shopping centre phenomenon. A global perspective will be given in section 2.2.1, after which the South African scenario will be discussed in section 2.2.2.

2.2.1 A global perspective on the development of shopping centres

Trading began its earliest form outside city walls, when traders established markets and fairs beyond the city gates to avoid taxes and the overcrowding of the urban centre. The earliest form of a shopping centre can probably be traced back more than 1 000 years to the ancient market squares and bazaars. According to Cloete and Skinner (2010:3), the Agora (city centre) in ancient Greece, as well as the Jerusalem Bazaar, that started trading more than 2000 years ago, was an enclosed shopping space. The Grand Bazaar in Istanbul was built in the 15th century; and to this day, it is still used as a shopping centre – with 4 500 small shops in an area of 30 000 m² (Cloete & Skinner, 2010:4).

The following is a discussion on shopping centre development in the USA and Canada, Europe and Britain, Asia and the Far East, Australia and Africa.

2.2.1.1 Shopping centre developments in the USA and Canada

Even though the modern shopping centre is not entirely an American innovation, the life in America focuses mostly on consumerism and the shopping centre. Jackson (1996:1111) refers to the shopping centres as "... *the best symbols of our abundance"; and* this author further declares that America has shopping centres, just like the Germans have castles and China has the great wall.

Although Roland Park in Baltimore USA, was developed as a shopping centre during 1896-1902, J.C. Nichols of Kansas City has been cited as the first person to develop the concept of a shopping district away from the traditional city centre, when he opened the Country Club Plaza in Kansas City in 1922, as the business district for a large-scale residential development. The centre with its cohesive architecture, paved and lighted parking lots was managed as a single entity (Cloete & Skinner, 2010:7).

According to Jackson (1996:1113), this was the first automobile-oriented shopping centre, which featured extensive parking lots. Nichols understood that consumers would arrive by motor vehicle to shop in the more than 100 shops, and therefore made parking facilities part of the planning. Today, the County Club Plaza has grown to 90 860 m² of retail space; and it has more than 5 000 parking bays.

Small-strip centres were built on the outskirts of cities and towns to avoid the increasing traffic congestion in the city centres. These centres were usually anchored by a supermarket and a drug store. The typical design was a straight line of stores with space for parking in front. The Highland Park Shopping Village in Dallas, Texas, was developed by Hugh Prather in 1931. This centre was the first to be built on a single site with storefronts facing away from the street; and it also provided off-street parking (Kavanagh, 2000; Cloete & Skinner, 2010:8).

During 1956 the world's first fully enclosed shopping centre, the Southdale Mall in Minneapolis, was opened. This model was used throughout the US for further developments.

According to Kavanagh (2000), the 1930s and 1940s marked the time that large free-standing stores with onsite parking were developed away from city centres. But the great Depression and World War II had a negative effect on private construction; and by the end of the 1940s there were only eight shopping centres in the USA. The Northland Centre in Detroit, built in the 1950s, was the first centre to have a cluster layout, as well as providing central air-conditioning and heating (Kavanagh, 2000).

During 1956, the Southdale shopping centre in Minnesota, a suburb of Minneapolis, was built; and this was termed by many industry professionals to be the first modern regional shopping centre. This centre was developed and built by Victor Gruen, who was hailed as the leading shopping centre developer in the USA during the 1950s. Gruen was inspired by Milan's Galleria, as well as by markets in Austrian and Swiss towns that he visited as a boy (Jackson, 1996:1114). The centre was marketed on the premise of climate control. Gruen realised that Minneapolis was often cold, and that it would be more profitable to have climate-controlled shopping centres than open-air centres. Gruen overcame this obstacle by placing a roof over the Southdale Mall and regulating the temperature at 24˚C, by installing an air-conditioning unit (Anon., 2007).

Gruen's philosophy was to make these commercial enterprises vital centres of the community and held the vision that shopping should form part of a network of social interaction and that retailers would be successful if they integrated their activities with "... *the widest possible palette of human experiences and urban expression*…"(Howard, 1985:451).

Gruen further stated that developers should include as many non-retail activities in their design as possible. Opportunities for cultural, artistic and social events should be catered for, in order to foster an environment that would be attractive to shoppers (Howard, 1985:452).

By 1960, Gruen proclaimed that the same design principles should apply to both urban and suburban centres. Gruen looked to ancient Greece with their *stoa* (merchant's buildings) that was centrally placed within the *agora* or city square for design inspiration. He became a consultant – not only in the development of new retail centres, but also in the revitalisation of old downtown centres all over North America.

From that time forward, the shopping centre industry in the USA took off; and more than 13 000 centres had been built by the 1970s. This more than doubled by the 1990s, when the 1980-1990 period saw more than 16 000 shopping centres being built.

During the 1980s, the indoor shopping centre became an integral part of the American lifestyle. Many food outlets existed only in these shopping centres, and the size and offerings of the centres grew to include various entertainment options during the 1990s. Retailers were focused on providing an experience to the widest audience possible; and in doing so, to also make a busy consumer's life easier – by providing an opportunity to do all the necessary errands under one roof. According to Kavanagh (2000), many shopping centres are striving to provide service-oriented tenants. These services include postal branches, municipal offices, libraries, as well as museums.

Entertainment would typically include: live shows, movies, food courts, interactive demonstrations, as well as children play areas (Kavanagh, 2000). The reasons stated for these trends are the relative saturation of the market, as well as changing consumer preferences.

The largest shopping centre in The United States, in terms of retail space, is the Mall of America in Bloomington Minnesota. This shopping centre receives approximately 40 million visitors annually, and has a seven-acre amusement park; the centre covers over 390 192 m², of which approximately half is dedicated to retail space (Kavanagh, 2000). The centre also caters for mall-walkers, who each morning walk the 0,9 kilometre perimeter (Anon., 2007). This shopping centre is an excellent example of a ground-breaking fusion of entertainment and retailing.

The 1990s spelt the downfall of the big shopping centres. Cannibalisation amongst centres was evident; and the middle-aged shoppers disappeared from the centres (Anon., 2007). Even the International Shopping Centre Council predicted that shopping centres were so unpopular that the next centre would only be built by 2009. One of the reasons cited for this decline in shopping centre patronage was the change in the suburbs. As the suburbs were becoming more racially varied, the centres no longer provided a sanctuary from diversity (Anon., 2007).

According to Erickson (2013), the traditional shopping centre in the USA is part of a saturated market. In the hope of finding future growth, developers are turning to mixed-use centres, projects that combine retail, dining, entertainment and residential living units. Mixed-use "lifestyle centres" are becoming more evident, where outdoor spaces become more important.

Some of the shopping centres are rebranding and redesigning to include water parks, public spaces, as well as green spaces. A creation of outdoor urban villages that mix retail, theatre and housing, are also on the map for a few outdated shopping centres (Erickson, 2013).

Similar trends to those in the USA were followed in Canada. Underground shopping centres were introduced and flourished in the harsh weather conditions in Montreal, Canada, by introducing working and shopping in structured areas underground with kilometres of subterranean walkways (Jackson,1996:1112). The West Edmonton Mall in Canada opened its doors during 1982; and entertainment was included in the offering of the centre, by including a pool with sea-lions, as well as outdoor activities, such as indoor bungee-jumping and a skating rink, thereby providing excellent fusion between shopping and entertainment.

The next section will explore the development of shopping centres in Europe and the UK.

2.2.1.2 Development of shopping centres in Europe and the United Kingdom

Shopping centres in Europe were essentially developed in cities that were rebuilt after the war. The cities of Rotterdam, Dusseldorf and Berlin were the first that were constructed; however the real developments in Europe only took momentum during the 1970s.

In France, numerous small centres were in existence before 1960. The development of medium and large centres only started during the 1960s and the 1970s. The Parly II centre on the outskirts of Paris near Versailles opened its doors in 1968. This double-story building included air-conditioning, fountains, marble floors, as well as various retail outlets. Jean-Louis Solal and his development group introduced the suburban regional centre to Paris and other European cities. Over the years, the development of retail districts in France was subject to strict planning and government protection of retailers (Cloete & Skinner, 2010:24).

Eurodisney, on the outskirts of Paris, has integrated a shopping centre as part of their mixed-use complex. In 2004, there were about 540 shopping centres in France, of which the Bell Epine is one of the largest, covering 141 000 m² and hosting over 18 million visitors per year.

During 1859, a retail space was built in Milan, Italy, that commemorated the victory of the French and the Sardinians over Austria. The Galleria Vittorio Emmanuelle II was opened to the public during 1867; and to this day, it remains the centre of commercial and political life in Milan (Jackson, 1996:1112). The retail landscape in Italy mainly consists of downtown shopping; and according to Cloete and Skinner (2010:26), there are only around 15 shopping centres larger than 30 000 m².

Spain planned housing developments as a priority during the 1970s. These housing developments did not have community centres; but they offered an excellent opportunity to developers for retail developments. The hosting of the 1992 Olympic Games in Barcelona gave retail development a boost, while increased tourism in other parts of Spain motivated shopping centre development. According to Cloete and Skinner (2010:26), the retail development in Spain is currently ranked the third biggest in Europe.

Other areas in Europe that need mentioning are Sweden, Switzerland, Germany and Russia. Shopping centre development in Sweden started as early as the 1950s and 1960s, with over one hundred centres built before 1981 in the Stockholm area alone. During 2005, Sweden had a total shopping centre area of 4,83 million m², which consisted of 271 shopping centres with a gross leasable area (GLA) each of approximately 5 000m² (Cloete & Skinner, 2010:31). Cloete and Skinner, (2010:32) describe the Swiss market as one of the most stable and prosperous in terms of retail development. This market has almost reached saturation with a total of more than 1 million m² retail space. Germany is not as developed in terms of retail area, with only five centres larger than 100 000 m². This is due to strict planning restrictions on out-of-town developments.

The shopping environment in Eastern Europe is a fast-growing industry, with a tendency to move away from the dispersed provision of retailing to planned concentrations in purpose-built shopping centres. In Moscow alone, a total of 50 shopping centres can be found, with the largest being a centre called MegaMall – of 150 000 m² built by IKEA in 2002 (Cloete & Skinner, 2010:34). Russia accounts for more than 21% of the total shopping centre completions in Europe.Statistics from a study conducted in 2007 show that Euroean shopping centres account for more than 111 million m² of gross leasable area (GLA), and

17,9 million m² more was planned for 2008 and 2009 (Niemira, 2008). However, according to Colpeart, (2010) in a report published by Cushman and Wakefield, European shopping development has slowed down considerably since the worldwide economic downturn. Only 6,1 million m² GLA in 2010 and 5 million m² in 2011 could be expected to be built. This is due to a large number of shelved retail projects, and will depend on the recovery rate of the economy.
London's Burlington Arcade was completed during 1819; and it was one of the world's earliest retail shopping centres. In Britain, the out-of-town shopping centres have grown to a trend since the opening of Brent-Cross in north London in 1976. Even though the government in Britain put a restriction on retail development in the 1990s, the established centres shaped the shopping and leisure patterns in the UK (Lowe, 2000:260). In recent years new shopping centres, like the Metrocentre at Gateshead, Thurrock Lakeside, and Braehead in Glasgow, were opened. These out-of-town centres or "edge cities" are much more than mere shopping destinations; but they could almost be seen as towns in their own right.

Metrocentre, in particular, has a railway station, a bus station, a medical centre, banks, a church, as well as a hotel; and there is a housing development adjacent to it. This move towards creating a lifestyle-shopping experience seems to be a trend taking place in the United Kingdom; and it also confirms the vision of many developers, such as Gruen, that shopping centres should become community centres that could serve the social, cultural and civic needs, as well as the shopping needs of consumers.

During January 2011, the total shopping centre provision in the UK stood at nearly 16,2 million m², with the Metrocentre in Gateshead being the largest at 190 000 m² (Colpeart, 2010).

The next developments that will be discussed will focus on Asia and the Far East.

2.2.1.3 Shopping centre developments in Asia and the Far East

There is a strong government involvement in the development of shopping centres in Hong Kong, Singapore and Kuala Lumpur. However, the trend of relegating shopping centres to a particular segment of the market has, in turn, led to more and more private developers becoming involved. This is evident from developments that include shopping centres within hotel complexes in Hong Kong, Bangkok and Manila (Cloete & Skinner, 2010:37). The tendency is currently for a public space where people can meet and socialise. Entertainment and food courts are important elements in the development of centres in the Far East.

The following statistics give an indication of the growth in shopping centre development in Asia and the Far East. Japan has more than 2 300 shopping centres, with more than 50 of them underground. India had 60 shopping centres in 2005, and was expected to increase this number to 300 by the end of 2010. A new shopping centre, Sobha Global Mall in Bangalore covers 270 000 m^2. Singapore has more than 2 million m^2 of retail space to serve a market of 3,1 million inhabitants with 6 million visitors annually (Cloete & Skinner, 2010:39).

The 6^{th} biggest shopping centre, situated in Kuala Lumpur, the Berjaya Times Square, has 1 000 shops and also has a 12-story high indoor roller coaster (Styan, 2010:3). According to Styan (2010:3), the largest shopping centre in the world is the South China Mall situated in Dongguan, China. The area it covers is 892 000 m^2, with 1 500 shops and 10 000 parking bays. Due to the lack of urban space, shopping centres tend to be built on at least six levels in Asia.

Van Riper (2008) argues that the reason for the large boom in the Asian market is because land is inexpensive and labour costs are low. This boom in the building industry has resulted in enormous shopping centres being erected in China, Malaysia and the Philippines, with India soon expected to follow. Some of these centres are referred to as "...*modern temples of consumerism".*

Based on GLA, the continent is home to nine of the world's 10 largest shopping centres, six of which have been built since 2004. That has added some 27 million square feet of shopping space to cities like Beijing and Guangzhou in China, and Kuala Lumpur in Malaysia. The pair of Chinese shopping centres that rank as the world's two largest, the South China Mall in Dongguan and the Golden Resources Mall in Beijing, include features like windmills and kids' theme parks. The Golden Resources Mall is surrounded by newly built apartments and office buildings.

Van Riper (2008) remarks that many Asian consumers are car owners; a phenomenon that has stimulated the demand for more destination shopping centres. This has attracted investment money to China from shopping centre management groups outside the country, largely from Indonesia and Japan. The downside to the development in China is that many residents are not yet accustomed to this new way of shopping, and demand is not yet keeping up with supply at the new, big shopping centres (van Riper, 2008). It will be mainly the shopping centres that were built outside the downtown areas of major metros that could have trouble surviving. To offset the downward spiral in some of these centres, they have become much more than being merely opportunities for shopping. The centres are increasingly turning into amusement parks and lifestyle centres, serving as commercial space for a variety of businesses – but also as tourist attractions.

Another strategy that is used by many “dying” shopping centres in Asia is to unite architecture and environment. The 1 Utama Mall in Malaysia offers an indoor rainforest with koi ponds and South East Asia's largest roof garden can be found there. CentralWorld in Thailand, has built an indoor salt water lake where the shoppers can watch sea-lions swimming. The Persian Gulf Complex will have an indoor amusement park, a prayer room, and a helicopter landing pad. In order to survive as a mega mall it has become popular to integrate offices and residential space in the centres. The discovery that consumer behaviour can be energised by social measures has changed the architecture of shopping centres. The new lifestyle centres in particular represent an effective way of motivating customers to buy and guarantee profits (van Riper, 2008).

The Dubai Mall is the world’s largest shopping centre, based on its total area. It is, however, not the largest based on GLA. This 232 258 m^2 centre opened its doors the first time in 2008; and it has over 600 retailers, including an ice rink and an aquarium. During 2011, the Dubai Mall became the world’s most-visited shopping centre, with over 54 million visitors. It recorded over 20 million visitors during the first half of 2012 (Nagraj, 2012).

According to Matthew (2012), a new retail complex is being planned for Dubai. When completed, this complex will be the largest in the world. The Mall of the World or

Mohammed Bin Rashid City, named after the developer, will include 100 hotels and could host more than 80 million visitors per year.

From the above discussion, it is clear that the Asian countries, as well as the United Emirates, are still developing shopping centres – despite the slowing down of developments in other countries. However, the focus of these shopping centres is changing, as in the rest of the world, to include more public spaces and lifestyle opportunities.

2.2.1.4 Shopping centre development in Australia

The general retail landscape in Australia can be divided into two distinct formats. According to Cloete and Skinner (2010:42), a traditional strip or arcade-like structure is indicative of the European roots, and the one and two-story suburban shopping centres are very like those found in America.

The traditional retail-strip format shopping centres were built in Sydney and Chermside, Australia during 1957 (Roberts & Merrilees, 2001). The Roseland Centre in Sydney, that opened its doors in 1965, was the first fully enclosed centre, with 31 527 m² of retail space and a large amount of public space. The centre was fully landscaped, and can be admired for the fountains and ponds, as well as the food hall and community services it provides (Roberts & Merrilees, 2001).

According to Roberts and Merrilees (2001), the third type of shopping centre was only developed during the 1990s, when the developers realised that entertainment must be a priority. Old centres were also refurbished during this time to include interactive entertainment areas and cinemas. This was soon followed by the opening of speciality centres, like factory outlets and power centres, in Sydney and Newcastle. The latest type of shopping centres to be developed was more of a mixed-use type centre that incorporated cinemas, factory outlets, speciality foods and traditional markets. Harbour Town on the Gold Coast, as well as Leichardt Forum in Sydney, are both excellent examples of such centres (Roberts & Merrilees, 2001).

Recently, planning for the refurbishment of the Chadstone Centre in Melbourne was obtained. The centre is predicted to become one of the largest shopping centres in Australia, with 530 stores and 9 500 parking bays. The owners of the centre are planning to add a hotel, office space, a state-of-the-art digital cinema complex, as well as a leisure and entertainment precinct (Chadstone Capital, 2012).

Since 2009, retail construction activity has increased slowly (Rooney & Warner, 2012:23). During 2011 a total of 690 000 m² retail space was under construction in Australia. Almost half of this development has been in the state of Victoria. According to Rooney and Warner (2012:18), low vacancy rates in shopping centres are an indication that the worldwide economic downturn is not affecting the Australian retail market as much as might be expected. The provision of retail space is on a par with retail space provision in the UK and Canada, although it is significantly below the estimates for the USA.

Even though some growth in online sales has been experienced in Australia, research indicates that a large proportion of retailing will always be about the service provided and the experience of shopping. Rooney and Warner (2012:22) believe that prime shopping centres will always be a popular choice with consumers and that dominant regional and CBD centres, as well as convenience centres, will continue to have a destination pull, and will continue to survive and yield profits.

2.2.1.5 Shopping centre development in Africa

Shopping centres in the African continent are mostly concentrated in the more developed areas like South Africa. According to Cloete and Skinner (2010:48), countries like Namibia, Botswana, Mozambique, Zimbabwe and Nigeria have also been developing shopping centres in recent years.

Namibia boasts around 22 shopping centres, of which the 54 000 m² Mall of Namibia, and the Grove in Windhoek, will be the latest additions (Hedley, 2013). Botswana has about 12 shopping centres, and Mozambique has three. In Zimbabwe, a new shopping centre is planned for the capital Harare; and according to investors, it will be the biggest shopping centre ever built in Africa, and certainly in Zimbabwe (SA Commercial Property News, 2012).

Although Nigeria is a challenging market in which to conduct business, (Maritz, 2012), a big investment from a Mauritian development company saw the opening of the latest shopping centre in Nigeria's capital city, Abuja. The Grand Towers Abuja Mall is anchored by the South African retail chain, Shoprite. The rest of the retail outlets also feature some well-known brands, like Adidas, KFC, MTN and the South African Spur (Maritz, 2012; Business Day, 2013).

A good balance in retail tenants has been secured by using foreign fashion retail chains as sub-anchors. This was made possible by the increase in foreign fashion companies, because of the recent abolishment of the ban on the import of textiles (Maritz, 2012).

Nigeria's population of over 170 million is growing at 2,7% per annum. The GDP is forecast to expand an average of 6% a year for the foreseeable future (Business Day, 2013). The past years have seen an increase in shopping centres in Nigeria, and more specifically in Lagos, which is regarded as the country's commercial hub. The Ikeja City Mall in Lagos is only one of two shopping centres that serve a population of around 17 million people (Maritz, 2012; Akingbolu, 2013). According to Maritz (2012), Nigeria is in a retail revolution where the middle class is growing steadily, and consumer demands and tastes are evolving. Akingbolu (2013) describes the Ikeja Mall as a mecca for shoppers and contribute the success of the centre to the location within Lagos. Many of Nigeria's markets have also been upgraded to more modern and organised structures; and government are attempting to rid the streets of illegal roadside trading. These new markets are boasting infrastructure like car parks, water supply, standby electricity and public toilets (Maritz, 2012).

There are ample opportunities for investors in Africa; and there is a definite growing demand for retail outlets in countries like Nigeria, Namibia, Mozambique, Ghana and other West African countries. According to Douglas (2013) a city like Lagos could accommodate another 20 more shopping centres and the rest of the cities like Port Harcourt, Owerri, Yenagoa and others are also underserviced. However, informal traders are not as excited about formal retail developments; and they complain about the rent they have to pay. The lack of electricity supply, a lack of infrastructure, as well as the limited use of electronic payment systems is hampering developments. Consequently, informal trading will remain a way of life for many Nigerians for some time (Maritz, 2012).

The increase in the number of formal retail centres in the emerging economic areas, as in Nigeria, Mozambique and other African countries, can be likened to the increase in shopping centres in South Africa in rural or township areas. This trend has met with mixed reactions. Some people believe that local small businesses are negatively influenced by this development. Others argue that the new centres play an important catalytic role in creating urban agglomerations, initiating urban renewal and developing lively town centres, whilst at the same time bringing a wider variety of goods to consumers at lower prices and reducing travelling costs (Urban LandMark, 2011).

The development of shopping centres in South Africa will now be discussed.

2.2.2 Shopping centre development in South Africa

The consumer background in South Africa is changing, with an increasing emphasis on the emerging black market. This has led to higher levels of retail demand in previously marginalised areas, and has accordingly brought about a change in the retail landscape of South Africa (Dardagan, 2005).

Shopping centre development in South Africa has shares similarities with development in the rest of the world. Town centres with various shops were the retail landscape for many years. Travelling salesmen visited rural areas and farms trading their goods. Church fetes, bazaars, as well as farmers markets were accepted trading avenues. Such occurrences were a common sight until the late 1950s. The infrastructure in South Africa saw a huge development, when diamonds were discovered in 1871; and this continued with the gold rush that started in 1886 (Cloete & Skinner, 2010:50).

The railroads that linked the mining towns were built; and the trading of goods and services boomed. The trading that continued over the next 50 years saw the establishment of many large departmental stores that later became household names: John Orr's, Stuttafords, OK Bazaars and Garlicks, to name a few (Cloete & Skinner, 2010:51).

Table 2.1 indicates the square meter of shopping centre retail space per province. For the purposes of this study, we will look at the history of development in the four provinces with the highest square metres of shopping centre retail space, namely, Gauteng, KwaZulu Natal, the Western Cape and Mpumalanga.

Gauteng has the most shopping centres. When compared to the population, it seems that the population in that area is also the highest.

TABLE 2.1: SHOPPING CENTRE AND POPULATION DISTRIBUTION

PROVINCE	SHOPPING CENTRE PROVISION SQUARE METER	% OF TOTAL	POPULATION
Gauteng	7 771 157m²	44%	12 272 263
Western Cape	2 888 662m²	16%	5 822 734
Kwazulu-Natal	2 602 258m²	15%	10 267 300
Mpumalanga	1 169 205m²	7%	4 039 939
Eastern Cape	961 936m²	5%	6 562 053
North West	791 473m²	4%	3 509 953
Limpopo	737 623m²	4%	5 404 868
Free State	676 002m²	4%	2 745 590
Northern Cape	196 210m²	1%	1 145 861
Total	17 794 526m²	100%	

Source: Adapted from Urban Studies in Kloppers (2011:12) and Statistics SA (n.d.)

Gauteng province has the most shopping centre space, although it is the smallest of the provinces in terms of land area. The area is, however, highly urbanised, and has two of the biggest cites in the country. The areas of KwaZulu Natal, Limpopo, the Eastern Cape and Mpumalanga consist of large areas of rural land (Statistics SA, n.d.).

The history of shopping centre development in South Africa started in the Gauteng province when Cecil Berhman, a pioneer, constructed and opened a small shopping strip with twelve off-street parking bays in Johannesburg during the 1940s. This was later followed by another shopping strip, when the Belfast corner opened in Rosebank during 1950, with 100 off-street parking bays (Cloete & Skinner, 2010:52).

The economic upswing, as well as the increase in the number of motor vehicles during the 1960s and 1970s saw the establishment of regional shopping centres and hypermarkets. During 1961, the Southdale shopping centre in the southern suburbs of Johannesburg opened its doors to become the first real suburban shopping centre in South Africa (Cloete & Skinner, 2010:52). The Randpark centre, a two-storey high centre that covered 14 000 m^2 GLA built in 1971, is often referred to as the first completely covered shopping centre in South Africa (Cesman, in Cloete & Skinner, 2010:52). This fact is often disputed by the Hyde Park Corner, built in 1969, which claims to be the first enclosed centre.

At first, shoppers were reluctant to accept this new way of shopping; but they became quite pleased when they realised the advantages of shopping in a climate-controlled one-stop environment.

The regional shopping centre Sandton City, in Johannesburg, was constructed by Rapp and Maister during the early 1970s. Sandton City opened its doors on 12 September 1973. The construction of Sandton City helped transform Sandton, on the outskirts of Johannesburg, from a farming community into a bustling business district. A second phase was added in 1982. During 1984, the centre also expanded its operations by adding office accommodation, as well as a hotel. This centre has grown over the years to accommodate some of the leading fashion and retail outlets in the country. Currently, the centre boasts 311 shops over four floors; and it has over 10 000 parking bays (Sandton City, n.d.).

The Western Cape covers an area of 129 462 km^2 and is South Africa's fourth-largest province, accounting for 10.6% of the country's land area. An assortment of cultures contributes to the cosmopolitan flavour of the province, resulting in a unique demographic profile that differs from the national pattern. Since Jan van Riebeeck established a refreshment post at the Cape of Good Hope in 1652, trade and immigration from various countries have helped to create a colourful population (SouthAfrican.info, 2012a).

The Western Cape contributes about 14% of the country's GDP, of which the largest industries are agriculture, forestry, fishing, finance, real-estate and business services (SouthAfrican.info, 2012a). It is home to Canal Walk, the third-largest shopping centre in South Africa, and the world-renowned Victoria Wharf (V&A) Shopping centre. Canal Walk was developed in 2000, and refurbished in 2009, to a size of 140 567 m² of GLA. It is regarded as a super regional centre and is home to some of the most famous international brands. The Victoria and Albert Waterfront Retail Node comprise of the Victoria Warf Centre, the Clock-tower retail centre, as well as the Alfred Mall. The node covers 73 106 m² and is a world-renowned shopping destination (SACSA, 2010:388-389). Various shopping centres' have recently been built in more suburban areas like Worcester, Paarl, George, Mossel Bay and Noordhoek. Shopping centres in traditional township areas include Westgate Mall in Mitchell's Plain and Vangate Mall in Athlone (SouthAfrican.info, 2012a; SACSA, 2010:389).

In KwaZulu-Natal, Durban was the first city of note when it was established as a harbour and linked to the goldfields of Johannesburg. KwaZulu-Natal covers an area of only 94 361 km². This small province is highly populated and very rural (SouthAfrican.info, 2012b). The first shopping centre in Durban was built in 1963 in Berea. Various shopping centres followed after that, most of which were developed within the trading areas of Durban, and later Pietermaritzburg. The biggest of these shopping centres is the Gateway Theatre of Shopping in Umhlanga, on the outskirts of Durban. This is a super regional shopping centre of 158 319 m², and is currently the largest shopping centre in South Africa.

Gateway is a centre that provides plenty of entertainment, with 18 movie theatres, a theme park, a wave park, a skating rink, and an indoor rock climb (SACSC, 2010:282). The vast coastline makes KwaZulu-Natal a popular tourist destination; and shopping centres have been developed in most of the coastal towns, as well as in some rural areas, like Umlazi, Ulundi, Nquthu and Nongoma, amongst others.
The province of Mpumalanga covers a land area of 76 495 km², and has a population of over 4 million people. The province has high levels of rural land, and a widely dispersed population of mainly black people (SouthAfrican.info, 2012c). The focus for this study is

on the province of Mpumalanga and the capital city in Mpumalanga, Nelspruit. The city of Nelspruit can be classified as a small city and lies within the area of the municipality of Mbombela in the Ehlanzeni District. The population is around 734 482 people (2006 figures), there are currently two major shopping centres situated in the area, as well as a large number of convenience and neighbourhood centres (Mbombela Local Municipality, 2011). The first fully fledged shopping centre is Riverside Mall, situated on the White River main road on the outskirts of the city. This is a premier regional centre, with a GLA retail area of 50 510 m². The centre opened its doors in 1998; and it has been refurbished at regular intervals – with the last upgrade being done in 2011. The centre has a total number of 3 365 parking bays, of which 2 516 are covered. There are around 140 shops, with the largest anchor tenants being Woolworths, Pick and Pay and Nu Metro. During 2012 a new water park, and an outside entertainment area, were added (Riverside Mall, 2012; SACSC, 2010:344).

The second centre in Nelspruit is Ilanga Mall that opened its doors in 2010. This centre is smaller with 45 000 m² GLA retail. Falling into the category of small regional centres, the centre is situated just off the N4 main route from Gauteng. It has 110 shops and as many as 2 900 parking bays, of which 1 900 are covered. No entertainment, except for restaurants, is offered at this centre (SACSC, 2010:344).

After the initial few shopping centres were built in South Africa during the 1970s, a boom period for shopping centre development was experienced in South Africa between 1985 and 1994. During this time almost 2,4 million m² of retail space was constructed. During the next boom period, between 2000 and 2005, 1,4 million m² of retail space was completed (Kloppers, 2011:12).

Even though the GDP growth rate in South Africa for 2009 (-3%) dropped from that in 2006 (±5,2%), the growth in shopping centre space was at 12,4% for 2008/9. Table 2.2 indicates that the number of shopping centres larger than 30 000 m² has increased from 36 centres in 1993 to 116 in 2009 (Prinsloo, 2010:31). Retail trade has contributed to almost 14% of the Gross Domestic Product (GDP) of South Africa; and it provides employment to almost a million people (Prinsloo, 2010:31).

The high economic growth rate experienced in South Africa, as well as an improved socio-economic profile of the population, was cited as the two main reasons for the growth in the number of shopping centres during the last 10 years (Prinsloo, 2010:31).

TABLE 2.2: TOTAL NUMBER OF SHOPPING CENTRES BY SIZE CATEGORY (1993-2009)

SIZE	1993	1999	2007	2009
30 000 – 50 000 m²	12	19	51	68
50 000 – 100 000 m²	24	39	37	48
Total number of centres >30 000 m²	36	58	88	116
Total floor area in m²	1 879 246	2 772 949	4 746 069	5 994 847
Growth rate in supply of new shopping centre space 1993 – 2009	8.0%			
Growth rate in supply of new shopping centre space 1999 – 2009	8.9%			
Growth rate in supply of new shopping centre space 2007 -2009	12.4%			

Source: SACSC (2010) and Prinsloo (2010:31)

The provision of shopping centres, or of any other retail facilities, in traditionally black areas has in the past been underprovided. Up until recently in 2003, only five of the more that 100 shopping centres larger than 20 000m² were built in traditional non-white areas (Prinsloo 2010:31; Stops, 2013).

Most of the retail facilities that existed in traditionally black areas consisted of strip centres, and the ostensible spaza shops. These shops often serve as a place to meet; and they only stock basic products that are needed on a day-to-day basis. The reasons for this are listed in Cloete and Skinner (2010:58), as being: low household incomes, high incidences of unemployment, lack of transport, distance to places of employment, as well as the lack of properly structured town centres in the so-called townships. Black people used to shop primarily in the CBDs of most towns and cities. During the last 10 years, this situation has changed dramatically. More than 20 new shopping centres have been built in traditionally black areas. There has also been an increase in the footprint of black consumers in shopping centres that were built in traditionally white areas. This can be attributed to the migration of black Africans to the cities, higher incomes, and the rise of the black middle class, as well as to better transport facilities (Urban LandMark, 2011).

The ten biggest shopping centres in South Africa are all situated in urban areas. Table 2.3 gives an indication of GLA, the location, as well as the date of development. For the purpose of this study, the researcher has added the two shopping centres in Nelspruit to this table to show the size in relation to other centres.

The shopping centres in Table 2.3 were all developed more than 10 years ago – with the exception being the newest shopping centre in Nelspruit. This indicates that new shopping centre development in urban areas over the last 10 years has slowed down, and only refurbishments have taken place (SACSC, 2010). However, new shopping centre planning for South Africa includes many more centres in the traditionally black areas (Stops, 2013).

TABLE 2.3: TEN BIGGEST SHOPPING CENTRES IN SOUTH AFRICA

NAME OF CENTRE	LOCATION	GLA	DATE OF DEVELOPMENT
Gateway Theatre of Shopping	Umhlanga, Durban, KZN	158 319	2001
Sandton Retail Node: 1 Sandton City	Sandton, JHB Gauteng	158 000	1973 Last refurbishment 2011
Canal Walk	Cape Town Western cape	140 567	2000 Last refurbishment 2009
Eastgate Shopping Centre	Bedfordview, JHB Gauteng	121 691	1979 Last refurbishment 2010
The Pavilion	Westville, Durban KZN	119 000	1993 Last refurbishment: 2005
Menlyn Park Shopping Centre	Menlyn, Pretoria Gauteng	118 862	1979 Last refurbishment 2000
Centurion Retail Node: 1 Centurion Mall and centurion Boulevard	Centurion Gauteng	111 734	1984 Last refurbishment 2004
Westgate shopping Centre	Roodepoort Gauteng	106 270	1985 last refurbishment 2006
Cresta Shopping Centre	Randburg Gauteng	94 287	1976 Last refurbishment 2007
Northgate Shopping Centre	Randburg Gauteng	90 572	1991 Last refurbishment 2008
Riverside Mall	Nelspruit Mpumalanga	50 510	1998 Last refurbishment 2010
Ilanga Mall	Nelspruit Mpumalanga	45 000	2009

<u>Source</u>: Adapted from SACSC (2010)

This table does not include recent refurbishments that resulted in some shopping centres expanding their total GLA.

The global economic downturn worldwide has led to many challenges for the retail industry worldwide. The challenges inherent in the South African retail industry will now be discussed.

Over the years, shopping centre development has become more demanding, necessitating architects and developers to begin paying attention to aesthetics, such as interior design and lighting, as well as sound (Cloete & Skinner, 2010:53). In the shopping environment, the needs of consumers have received consideration – by the use of better tenant mixes and better merchandising, as well as improved service delivery. A new breed of industries has emerged and become successful because of this boom in the shopping centre industry. Market-research companies, promotions and marketing companies, and customer-service advisors, as well as architectural-design companies are a few of these (Cloete & Skinner, 2010:53-54).

The South African retail industry is faced with unique challenges. Shopping centre development was mainly focused on the urban landscape of South Africa. However, the rise of the black middle class has created a need for a more diversified look at retail provision. Different forms of shopping centres, or other retail outlets, need to be developed for the different urban, suburban, small towns and rural areas in South Africa (Anon, 2013).

A classification hierarchy of South African shopping centres was developed by Kahn in 1988. This hierarchy has recently been updated by Prinsloo (2010b:5). The characteristics that makes an impact on this model are the LSM classification that indicates the difference in disposable income in different socio-economic groups, the level of transport mobility, the use of private cars vs taxis and bus transport, as well as the threshold values for different product categories (Prinsloo, 2010b:5).

Table 2.4 gives an exposition of the classifications used in the model of hierarchy in South African Shopping centres. The table also indicate the access requirements in terms of infrastructure needed, the number of households in terms of LSM groupings, as well as the radius and median travel time.

TABLE 2.4: SHOPPING CENTRE CLASSIFICATION

TABLE 2.4: SHOPPING CENTRE CLASSIFICATION

Type of Centre	Size of centre m² (GLA)	Trade area	Access requirements	Nr of households	Population	Socio-Economic groups	Ave Radius	Median travel time (min)
Small freestanding and convenience centre	500 - 5 000	Serves part of suburbs	Suburban street	LSM 1-5 (<10 000) LSM 6-9 (<4 500) LSM 10+ (<2 000)	< 40 000 < 15 000 < 7 000	All LSM Groups	1 - 1.5km	< 3 minutes
Neighbourhood centre	±5 000 - ±12 000 25 - 50 stores	Centrally located for a group of suburbs	Major roads	LSM 1-5 (20 300 - 47 000) LSM 6-9 (9 000 - 20 100) LSM 10+ (3 700 - 8 600)	± 135 000 ± 51 000 ± 18 500	All LSM 4 - 10	2 km	4-9 min
Community centre	±12 000 - ±25 000 50 - 100 stores	Strategically located to serve a suburban community	Major arterial road	LSM 1-5 (44 000 - 103 000) LSM 6-9 (20 000 - 46 000) LSM 10+ (8 000 - 19 000)	± 295 000 ±115 500 ± 41 000	All LSM 4 - 10	3 km	6-14 min
Small regional/large Community centre	±25 000 - ±50 000 75 - 150 stores	Specific sub-region of the city (or it can be a large self contained community)	Major suburban arterial road linking to a provincial highway	LSM 1-5 (90 000 - 209 000) LSM 6-9 (40 000 - 90 000) LSM 10+ (17 000 - 38 000)	± 600 000 ± 280 000 ± 83 000	All LSM 4 - 10	5 km	10 - 16 min
Regional centre	± 50 000- ± 100 000 150 - 250 stores	Large region of city or whole city / rural towns	Major arterial road usually a provincial main road.	LSM 1-5 (180 000 - 420 000) LSM 6-9 (80 000 - 185 000) LSM 10+ (30 000 - 76 000)	± 12 00 000 ± 464 000 ±165 000	All LSM 4 - 10	8 km	14 - 20 min
Super regional centre	> 100 000 More than 250 stores	Large region in the city and surrounding areas / tourists	Major arterial road usually a provincial main road linking to a national road	LSM 6 - 9 (106 000 - 250 000) LSM 10+ (44 000 - 101 000)	± 623 000 ± 217 500	Above average LSM 4-10	10+ km	24 - 30 min

Source: adapted from Prinsloo (2010b : 102)

When the planning for a centre starts, the market characteristics should be carefully considered. Prinsloo (2010b:3) indicated that age, lifecycle, profile, socio-economic status and expenditure levels, as well as the different lifestyles in a specific area, should all contribute to the planning. Each market where a shopping centre is planned has different local conditions that should be considered. Each area has a unique need for a particular shopping centre. According to Prinsloo (2010b:6), the types and sizes, as well as the location structure of shopping centre facilities in an area are functions of the size and type of settlement. Consequently, it would be only in large metropolitan areas where a full range, or hierarchy, of shopping centres would be found.

Mokopanele (2013) states that despite all indications that there is a slow-down in the development of new shopping centres in urban areas, developments worth billions of rands are planned for the next three years – mainly in suburban and rural areas. Mokopanele (2013) cites the emerging black market as the reason for this surge in development. Shopping centre development needs sufficient population and income levels in a trade area to sustain the development. Retailers' sale productivity has come under pressure because of the tempo of the retail expansion that has exceeded the capacity of many local markets to absorb new stores. Problems arise when new shopping centres are developed in markets that are already saturated with as regards retail space.

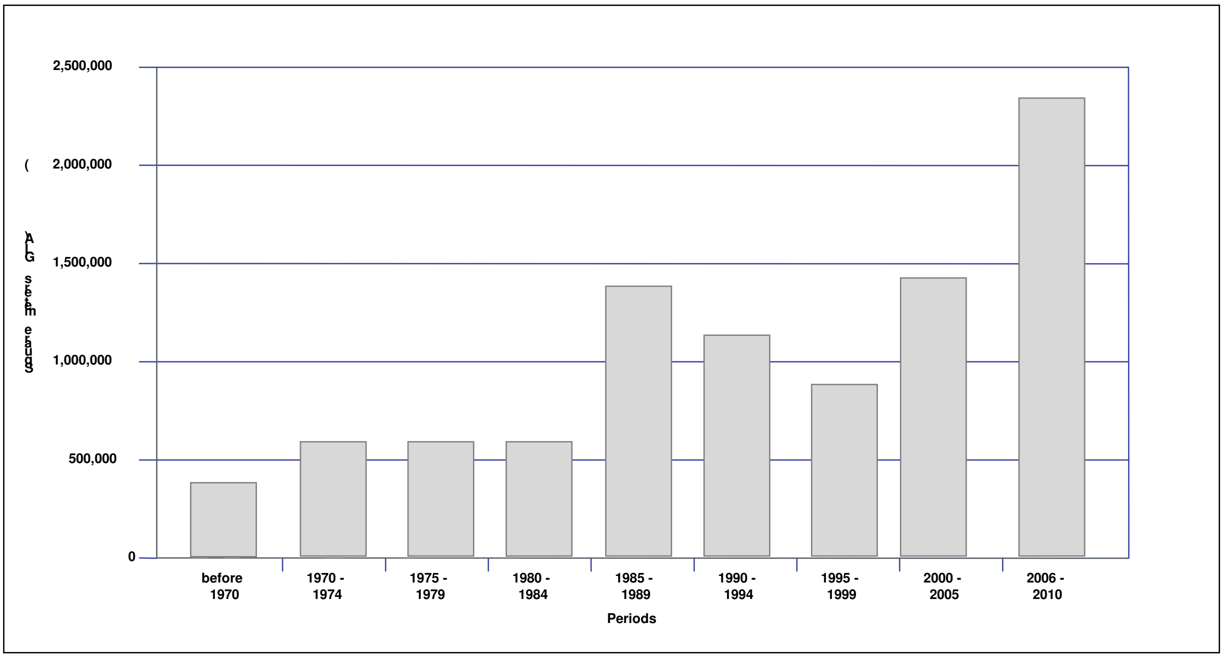
According to Prinsloo (2010:31), the poor planning of some centres is frequently based on a flawed analysis of the size, profile and potential of the local market; and this is also a problem. The author further states that retailers go into these shopping centres for fear of losing out to competition. Declining consumer spending – because of financial pressures – has resulted in low performance levels and consequent vacancies of retail space in shopping centres. Some centres have experienced a vacancy rate of 40% and more (Prinsloo, 2010:31).

2.2.3 <u>Current and future trends in South Africa's retailing environment</u>

South Africa is a unique country – with its 11 official languages and a diverse population. The rise of the emerging black market has had a huge influence on the retail landscape in South Africa. Consumer shopping habits across the whole continent are changing. According to Pearson (n.d.), a new shopping centre culture has emerged, where many emerging black middle-income consumers now have access to formal retail shopping for the first time. Pearson (n.d.) indicates that consumers are exposed to a wide variety of choices and conveniences, and this fact is having a major impact on driving consumption demand.

The shopping centre phenomenon is not only changing shopping behaviour; but it is also changing social behaviour – by providing a venue for consumers to congregate. Many people are foregoing other activities and traditional meeting places in favour of 'shopping centre socialising'. Younger consumers are also becoming accustomed to the new retailing; and the combination of convenience and aspiration will drive demand (Pearson, n.d.).

<u>FIGURE 2.1: SUPPLY OF RETAIL SPACE 1969-2010</u>



<u>Source:</u> SACSC (2010) and Prinsloo (2010:59)

Figure 2.1 gives an indication of the high growth in the provision of retail space since 1969. The high growth period, from 1985 to 1994, and then the very high growth period from 2000 to 2010, are both clearly indicated. According to Spire Property Management (Anon, 2013) at least 160 retail centres have been developed nationally in township and rural areas between 1962 and 2009, covering about 2-million square metres of retail space and generating about R34bn in sales, while having added about 54300 permanent jobs to the national economy since the 1980s (Cloete & Skinner, 2010:58).

According to Stops (2013), the development for the next two years will be focusing mainly on the metropolitan areas: particularly in the Gauteng region, as well as in the Western Cape because of the annual growth rates in those areas. Stops (2013) also predict that there will be shopping centre developments wherever there is an undersupply of retail outlets in a highly populated area. An expansion of the existing shopping centres in rural areas is also on the cards for the near future.

According to SA Commercial Property News, some of the newest developments planned for completion during 2013 and 2014 include:

- the 15 000m² Seshego Mall just outside Limpopo's capital Polokwane,
- 34 000m² KwaMnyandu Shopping Centre, in Umlazi KwaZulu-Natal,
- 30 000m² Moruleng Mall in the North West province,
- 25 000m² Mayfield Square in Daveyton Gauteng,
- 16 500m² in Olievenhoutbosch,
- 12 500sqm in Ezakheni (Ladysmith),
- 14 500sqm in Madadeni/Osisweni(Newcastle),
- 25 000m² Emoyeni Mall in Pienaar, east of Nelspruit,
- 12 000m² Tugela Ferry Shopping Centre in Masinga District of KwaZulu-Natal,
- 27 000m² Dihlabeng Mall in Bethlehem Free State,
- 20 000m² Kinako Mall in Port Elizabeth's iBhayi area Eastern Cape as well as the;
- 72 000m² Forest Hill City in Centurion Gauteng (Anon., 2013).

According to Prinsloo (2010:30), the current growth rate is a manifestation of the economic growth rate in the country during 2006/7, because of the “time lag” between economic conditions and retail supply. The retail development in South Africa should exert a negative impact for the next few years, because of the impact of the worldwide economic downturn. The last 10 years have also seen an increase in the number of retail centres being developed in the "emerging economy" areas (Urban LandMark, 2011).

The 160 retail centres that have been developed between 1962 and 2009 in townships and rural areas are an indication of this trend. Research by Urban LandMark (2011) has indicated that although these areas are associated with lower LSM group profiles, there is, nevertheless a high level of retail demand. Further observations indicate that untapped retail demand still exists within the townships and rural areas. Although a staggering 18,2 million people still live on less that R20 per day, and there is a strong reliance on social grants to reduce the impact of poverty, there is also an indication of people moving up to higher LSM brackets. According to an article in the SA Commercial Property news (Anon., 2013), the main reasons for the development of new shopping centres appear to be a strong emerging middle class that is beginning to shop, and retailers wanting to capture this market.

But the new shopping centres are likely to cannibalise older shopping centres, which will need to do refurbishments and reposition themselves to stay in the game. And in rural town retailers are experiencing good trade as government's social grants have increased spending.

New large shopping centre developments will be focused in South Africa's metropolitan areas as it makes sense considering the latest population statistics; this is according to Stops (in Anon., 2013). The plan is also to include several green-field developments of large regional shopping centres on the fringes of metropolitan areas, especially with shopping centres bigger than 30 000sqm. The residential growth in their immediate vicinity will drive the sustainability of these centres (Anon., 2013).

Infill shopping centre development, where there is already a large numbers of households in an area underserviced by retail, will also occur. This will capitalise on existing infrastructure and these centres should act as catalysts for other commercial activities, according to Stops (in Anon., 2013).

The highest population growth figures in the country are found in major metropolitan areas, such as Johannesburg, Cape Town, Durban (eThekweni) and Pretoria (Tshwane). This impacts the needs for housing, job creation, schools, and general infrastructure, including retail centres. Although land is not scares and is often made available by the municipalities, developers' faces rezoning challenges and delays and have to deal with power-supply problems (Anon., 2013; Prinsloo, 2010).

An international study by Wakefield and Baker (1998:516) found a decline in shopping centre patronage, due to the high similarity of shopping centres, with too much of the same merchandise. A question which is often asked in South Africa is if there is not perhaps an over-development of retail space. It seems that new developments are opened almost on a monthly basis; and regrettably, there is very little differentiation between these retail developments. The same anchor tenants can be found in each shopping centre. Developers often recruit these anchor retailers because they stock well-known and well-loved brands.

Very few alternatives and very few international retail companies operate in South Africa. Consequently, the options for the differentiation of centres are very limited. Prinsloo (2010:28) states that, because of this, retail cannibalisation is occurring in South Africa. This happens when two or more undifferentiated shopping centres open in the same area with the same tenant mix. The sales gained in one centre are then the same as the sales lost in another centre (Prinsloo, 2010:28). The newer centre simply "steals" customers away from the older centre.

To ensure the sustainability of planned shopping centre developments, the developments should be placed on hold – until such time as residential developments reach the required threshold values. Cannibalisation can be avoided in future if a clear understanding by developers, retailers and investors of the real potential of a market exists. The threshold number of new homes in an area should be considered before planning for development starts. Retailers should engage in more market research on their own product and the marketability thereof. Retailers should be able to walk away from a risky centre; and shopping centres should be efficient – with low operating costs. The revamping of older centres should also receive some attention (Prinsloo, 2010:34).

It was confirmed by the CEOs of many of the retail giants in a recent interview with Shopping SA that lifestyle changes have the most significant impact on retail sales and shopping behaviour (Anon., 2012:5). Retail developers cannot create a retail environment for the sole purpose of serving basic needs. New retail formats that incorporate the many different needs of consumers are coming to the forefront. Prinsloo (2006) attributes these changes to the changing demographics, and to urban revitalisation, as well as to consumers looking for more exciting options.

The retail market has shown a tremendous growth in the homeware sector, with the expansions of Mr Price Home, Home Etc., @Home and Weatherlys, amongst others. This growth can be attributed largely to the growing affluence of the South African population, more specifically the black end of the market, mass housing and electrification, as well as the trend towards a shorter lifespan of homeware products (Prinsloo, 2006). This is one of the trends that have permitted retailers to investigate alternative options for retail formats. A new format of retail that specialises in the homeware industry has thus come to the forefront. A good example of a homeware retail outlet is the Design Courtiers in Johannesburg, as well as Willow Bridge in Cape Town.

Linking to the homeware growth is a new trend towards lifestyle centres. These centres accommodate the retail as well as lifestyle quest of consumers within their trading areas. Traditionally, these centres have been situated in affluent areas with an open-air ambience, fountains, street furniture, landscaped gardens and some large upmarket tenants. Prinsloo (2005) highlights the commonality between lifestyle centres as comprising the open environment, as well as the large upmarket anchor tenants. This retail development can resemble a small town or a strip-street development. The main emphasis is to make retail a delightful and thrilling experience, to increase the number of visits, and to encourage consumers to while away their leisure time.

According to Prinsloo (2005), lifestyle retailing should ideally be combining various elements. These elements could include: residential developments, office space, hotels, churches, theatres, convention centres, cinemas, different types of entertainment, golf driving ranges, rock-climbing, ice skating and farmers' markets.

Examples of such centres in South Africa include *inter alia* Broadacres Lifestyle Centre in Johannesburg. This centre has run-of-the mill shops in the front and destination stores in a landscaped area at the back (SACSA, 2010). These options combine convenience and destination. Constantia Village in Cape Town is a centre that has gardens linking two different areas. This centre has developed over time to give a lifestyle ambience. Ballito Lifestyle centre, in KwaZulu Natal, is situated in a very attractive environment with a combination of convenience, as well as lifestyle-oriented stores (Mall Guide, n.d.). Melrose Arch in Johannesburg is a good example of a true upmarket lifestyle centre: the new urbanistic approach, with a combination of elements that include more than just retailing. This centre includes hotels, office space, residential units, a large gym, a medical facility, a day-care facility and a number of restaurants (Melrose Arch, n.d.). Another example is a planned development between Johannesburg and Pretoria called Waterfall Business Estate. This is a mixed-use commercial development of 1,6 million m². It will be rolled out within the next 14 years – as the need in the market dictates. One of the main features of this development will be an 800 000m² mixed-use retail development called Waterfall City. This will include a 115 000m² shopping precinct, combined with offices and homes (Bezuidenhout, 2012:2).

Modern consumers are not only concerned with consumption, but rather with experiencing. According to Mayne, CEO of Primedia Lifestyle, consumers should be lured by a shopping experience that would start when they enter the parking area of the centre, and would last until they depart. Sales personnel should not only focus on selling, but also on building relationships and improving peoples' lives (Anon 2012:5).

In keeping with this trend, the Riverside Mall, Nelspruit, opened a water-park entertainment area in February 2013. The Mafunyane Riverside Water Park provides fun for the family; and it even offers to host children's birthday parties. This adds to the already-existing entertainment portfolio of a casino, cinemas, restaurants, fun company, ten-pin bowling, go-carts, as well as many restaurants (Riverside Mall, 2012).

Retailers in the shopping centre environment need to embrace e-commerce and e-commerce strategies, while also meeting the challenge of improving the in-store experience. This includes the entire shopping experience, from the point when consumers enter a store to when they leave; every touch-point presents an opportunity.

The location of any retail establishment needs to be carefully managed and aligned with the target market (Levy & Weitz, 2013:253). The importance of location planning and the design of a shopping centre will be discussed in the next section.

2.3 SHOPPING CENTRE LOCATION, PLANNING AND DESIGN

It is a well-known fact that the three factors that are the most important in the development of any retail outlet would be location, location and location. It is assumed that the founder of Sears, Sir Charles Clore, coined this phrase (Sullivan & Adcock, 2002:95). The reason stated for the importance of location lies in the very nature of the retail industry. According to Sullivan and Adcock (2002:95), retailing is a business that relies on a steady flow of customers to and through the retail outlet. Levy and Weitz (2013:217) state that the choice of the right location could help to develop a sustainable competitive advantage for a retail outlet.

When a decision on location needs to be made, the two most important factors are accessibility and visibility. Location is also the one element that cannot be easily changed – once the decision on a position has been made (Levy & Weitz, 2013:253).

After location decisions are made, the next step would be the planning and designing of the retail facility or shopping centre. Various stakeholders are involved in this, and the developers usually make use of a highly skilled professional team that would consist of: town planners, architects, quantity surveyors, engineers and project managers.

2.3.1 Location

The needs of a particular market must be considered when a location for a retail store or shopping centre is being selected. The market should have a substantial population, as well as disposable income; and it should be in line with the objectives of the developers (Prinsloo, 2010c:157). Where these potential consumers live, how they commute, the demographic configuration, as well as the growth potential in the area would be regarded as factors worth considering by any potential developer.

Other factors that would also impact on location would be: the economics of the region, subcultures, as well as the general demand (Hasty & Reardon, 2001; Prinsloo, 2010c; Levy & Weitz, 2013).

The geographical area where the retail customers for a specific kind of retail store or shopping centre reside and work would be known as a retail-trade area (Hasty & Reardon, 2001:212). Trade area analysis should precede any decisions made on location. This is essentially the area from which the consumers would originate; and it could be divided into primary zones (60%-75% of the trade), secondary zones (15%-20% of the trade) and tertiary zones (± 10% of the trade) (Prinsloo, 2010c:160).

The boundaries of a trade area can be determined by the location's accessibility, the natural and physical barriers, the type of shopping facility, as well as any competition that might exist in the area (Levy & Weitz, 2013:253). For the demarcation of a specific area to be developed into a shopping centre area, there are certain criteria that Prinsloo (2010c:160) has indicated should be taken into account: the threshold value of a particular market is the first that should be considered. A threshold implies that there are a minimum number of households of particular LSM groups within an area that would be required to the argument for the development of a certain type of shopping centre (Prinsloo, 2010c).

The market share and the target market need to be taken into account when location decisions are made. According to Prinsloo (2010c:161), the market share refers to the share of disposable income that a centre can capture from the total spent on consumables. The target market refers to the population numbers, the socio-economic profile, the LSM categories and the lifestyle of a group of consumers. In South Africa, the phrase "follow the roofs" was coined by Prinsloo of Urban Studies. Prinsloo believes furthermore that it is not only important to have a built-up area, but that the area should also be inhabited. There should be sufficient consumers residing in the vicinity of the proposed shopping centre (Prinsloo, 2010c:161).

The market needs focus on the need for convenience, the need for comparative shopping, the purchasing power in that particular market, or even the availability of transportation. More often, it is a combination of these, and other factors that would dictate the location to the potential developers.

Location and access are interrelated, although separate, aspects. The location must be easily accessible, as well as safe. Once a proper location for a newly planned shopping centre has been established, the next step would be to ensure that proper planning and design are done. The visibility of a shopping destination is one of the most important marketing factors; and according to Prinsloo (2010c:165-6), this entails structures as well as signage. The shape, size and topography of the site would determine the layout, and would also have an influence on the cost factors.

2.3.2 Shopping centre design and planning

Shopping centre developers usually appoint a team of specialists to assist with the formal planning process and the establishment of a new centre. The next section explores the process of planning and design, which includes parking, tenant mix, future refurbishment, greening possibilities, as well as marketing and branding.

2.3.2.1 The planning and design process

The planning team would consist of town planners, architects, engineers, quantity surveyors, traffic consultants, project leaders, and the owner, as well as a letting agent.
According to Smith and Cloete (2010:198-199), basic design principles would include the following:

- Parking should be available around the centre to make it unnecessary for shoppers to walk long distances from remote parking areas to the centre.

- The placement of specific shops should be such that pedestrian traffic is distributed equally between the entrances.

- A key tenant should never be placed at the immediate entrance. Pedestrian traffic should pass smaller shops first before entering the site of the key tenant. The maximum distance from an entrance to the key tenant should be 60-70 metres.

- There should be a balance of 50-50 between key tenants (high turnover, low rental) and line shops (low turnover, high rental).

- The correct atmosphere – both comforting and pleasant – should be created with lighting, decor and layout.

- The size would determine the layout; but it is important to find a balance between a crowded, blocked and narrow centre and an excessively wide and empty centre.

- Extreme weather conditions would dictate the necessity for a covered shopping centre.

- Other important factors to be considered include the following: avoid split levels as far as possible; but if these are unavoidable, make sure that there is a visible link, such as open spaces and escalators. Avoid dead areas; there should be a continuity of shop fronts. Avoid a confusing layout with too many side corridors. Provide sufficient storage, power supply, air conditioning, as well as practical tiles for the floor areas.

A shopping centre design should be flexible in terms of future growth and expansion (Smith & Cloete, 2010:200). Sustainable design and the management of shopping centres have become of fundamental importance worldwide. Exploring different definitions of sustainability and sustainable development indicates that a commonality exists, since sustainability rests on two important pillars, namely: caring for society and caring for the earth (Sustainable Measures, 2011).

Friends of the Earth in Scotland provides the following definition, "*Sustainability encompasses the simple principle of taking from the earth only what it can provide indefinitely, thus leaving future generations no less than we have access to ourselves*" (Sustainable Measures, 2011). The Thomas Jefferson Sustainability Council echoes this outlook, but expands on some key issues, *"Sustainability may be described as our* *responsibility to proceed in a way that will sustain life that will allow our children, grandchildren and great-grandchildren to live comfortably in a world that people:*

- *Take responsibility for life in all its forms, as well as respect [for] human work and aspirations;*
- *Respect individual rights and community responsibilities;*
- *Recognise social, environmental, economic, and political systems to be inter-dependent;*
- *Weigh [the] costs and benefits of decisions fully, including long-term costs and benefits to future generations;*
- *Acknowledge that resources are finite, and that there are limits to growth;*
- *Assume control of the destinies [of others];*
- *Recognise that our ability to see the needs of the future is limited, and any attempt to define sustainability should remain as open and flexible as possible*" (Sustainable Measures, 2011).

The definition that, in short, summarizes the above definitions comes from the Brundtland Report, or the report of the World Commission on Environment and Development (1987). *"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs*" (Sustainable Measures, 2011).

A research report was released by GVA Grimley (2008:2) that explored the ways in which shopping centres can become more sustainable. The four pillars of sustainability identified rest on: energy saving, waste management, community engagement and water conservation. Milian (2006) expands on this view by adding to this list building materials that are used in construction. The real estate industries worldwide are urged to "make buildings greener". The main benefit for a shopping centre in promoting good environmental practices lies mainly in the saving of operating costs.

In the UK, the targets for carbon reduction have been set to high standards. Government has set a zero carbon target for all new buildings by 2019 (GVA Grimley Ltd, 2012). Australia is on board with sustainability, and has a strategic plan for urban development called Melbourne 2030 (Goodman & Coote, 2007:39). The USA is passionate about the carbon footprint; and a new International Green Construction Code was approved in 2012. This will apply to all new and renovated commercial buildings and residential buildings over three stories high.

The previous LEED (Leadership in Energy and Environmental Design) standards required a voluntary certification, whereas the new code creates a mandatory "floor" that contains enforceable minimum standards on every aspect of building design and construction with which the building industry must now comply (SustainableBusiness.com, 2011).

Kuang (2009) writes that a sustainable shopping environment can be achieved. He describes a shopping centre in Kuala Lumpur, designed by Sparch Architects, as an example of forward thinking in sustainable urban renewal. This centre is a massive hybrid space that consists of a public park, shopping spaces, and a partly covered atrium urban promenade. A traditional shopping centre usually consists of one huge air-conditioned space with high energy costs. The outdoor spaces and improved shading form a green cover that helps the shopping centre to cut down energy costs by about 30% (Kuang, 2009).

The South African markets is not yet as passionate, nor are the standards as sophisticated as they are in most of the developed nations' markets. A shopping centre in the Western Cape Province, the Baobab Mall on Long Street, has been completely revamped and is now claiming to be a sustainable shopping centre or so-called “eco-mall”, now named “210 On Long”. Each shop in the shopping centre is required to be at least 10% more sustainable; and renovations were done using sustainable materials wherever possible. Individual shops are required to display the sustainable components in the shop, whether the products are made using local labour, made from local materials, or are made of sustainable materials, or by virtue of the centre being energy-efficient (Taylor, 2009).

Individual retail companies, like Woolworths, have made a commitment to become more sustainable in their operations. A study on Woolworth's sustainability (Luiz, Bowen & Beswick, 2011:1) highlights the efforts that the company has made in transformation, social development, environmental focus, while also addressing climate change.

South African developers should focus on sustainable urban planning; and individual FMCG retailers could make a huge impact by striving for better sustainability in their operations.

2.3.2.2 Parking

Parking is an important factor in the design and layout of a centre, as it may be regarded as the start of the shopping experience. The following areas of concern are raised by Smith and Cloete (2010:220-221):

- The number of parking spaces is relative to the gross letting floor area.
- The points of entrance and exit should be considered with long enough stack-up lanes to avoid traffic jams. Entrances and exits should also be separated by physical obstacles like kerbstones and landscaping.
- The space should make provision for different kinds of vehicles, buses, delivery vehicles, in addition to emergency vehicles.
- The distance between parking and the entrance should ideally be no more than 140m.
- Good drainage, high-quality road surfacing and good lighting, as well as good landscaping, should be used.

Parking is a critical success factor; and according to Prinsloo (2010c:166), the ratio should be 6 bays per 100 m² GLA in urban areas and down to 3 bays per 100 m² in rural or township areas. The Riverside Mall shopping centre in Nelspruit boasts 2 516 parking bays for 49 895 m²; this translates into 5 bays per 100 m² (Riverside Mall, 2012). This is quite adequate within the suburban setting.

2.3.2.3 Tenant mix as a marketing tool in shopping centre planning

With the escalating number of shopping opportunities in the market, fierce competition exists between shopping centres, as well as between tenants within these centres. Each shopping centre has a unique customer mix; and the management needs to tailor the shopping solutions to the needs of each shopping centre (Snyders & Cloete 2010:330). This can be done by providing a unique tenant mix that caters for the needs of the consumer base in terms of variety and price.

The management of a shopping centre entails much more than merely rent collection and maintenance, as Snyders and Cloete (2010:331) point out. These authors also call attention to the fact that a manager should have strong leadership qualities, as well as stylishness, in order to ensure a favourable physical environment and a good public image for a shopping centre.

The main objectives that Snyders and Cloete (2010:334) identify for a tenant mix are: to meet the demands of consumers relating to variety, price and appeal. The tenant mix should also encourage traffic flow within a centre, and prolong the duration of shopping trips, whilst also encouraging cross-shopping within a centre. The last important objective should be to meet the productivity demands within the centre. Berman and Evans (2013:295) refer to a well-balanced tenant, mix where the merchandise on offer matches the location's market potential.

Each shopping centre usually has an anchor tenant. This key anchor tenant plays the role of traffic generator to the centre, and controls the customer-movement patterns within the centre. The anchor tenants in Riverside Mall, Nelspruit are Pick and Pay, Woolworths, Checkers and Nu-Metro. These anchor tenants are all situated at different entrances to the shopping centre; and they spread customer movement throughout the centre (Riverside Mall, 2012).

The decision on the location of shops within a shopping centre is highly complex. Snyders and Cloete (2010:339) provide various guidelines in this regard. The most important aspect to remember would, however, be to give the greatest exposure and visibility to each shop. In a well laid-out shopping centre, there should be no poor locations.

2.3.2.4 Planning for the future refurbishment of shopping centres

Because of the fierce competition between shopping centres, as well as the introduction of many new shopping destinations, centres need to perform at their level of greatest efficiency. New developments are on the decline worldwide; and renovations and expansions of shopping centres are booming. According to Smith and Betts (2010:392), the rise in building costs, and the shortage of prime sites are causing both high-performing and non-performing shopping centres to refurbish. The shoppers' taste, likes and needs, change over time; and because shopping is regarded as somewhat of a fashion, it should keep up with the current trends.

Developers and owners would usually consult the records of the centre, to ensure that the projections for future expansions are viable. The prime objective in refurbishment should always be to encourage improved customer traffic, provide a return on investment, and to outperform the competition (Smith & Betts, 2010:393).

According to Lowry (1997:77), the life-cycle concept applied to products and stores should also be applicable to shopping centres. The author states that this concept would help to explain the emergence and decline in different shopping centre formats.

A study by Davidson, Bates and Bass in 1976 (in Lowry, 1997:77) first identified and defined the concept of the retail life-cycle. Preceding this study, the explanation for retail development was based on the *wheel-of-retailing* concept proposed in 1958 by Malcolm McNair (in Hollander, 1960). This concept suggests that new retailers enter the market place as low-priced, low-margin, and less-respected innovators serving price-conscious consumers. Over time, these retailers upgrade their stores and their offerings to become high-end retailers serving high-income consumers. This advance then leaves these retailers exposed to low prices, and to low-margin competitors, who begin to turn the wheel again.

Lowry (1997:77) also mooted several other theories to explain the emergence of new forms of retailing. In 1974, the *dialectic process* was suggested by Maronick and Walker (1974). This states that when an innovative challenger (antithesis) poses a threat to an established form of retailing (thesis), the established retailer would adopt the mode of operation of the challenger; whereas, in turn, the challenger might implement some characteristics of the established retail form. This variation then results in the establishment of a new form of retailer that combines uniqueness from both the established and innovative retailing forms (synthesis). This new form then becomes susceptible to new competition and the dialectic process starts all over again.

Other explanations put forth by Lowry (1997:77-78) are the *adaptive behaviour* and the *natural selection* concepts. With adaptive behaviour, retailers emerge as a response to environmental conditions, and then react to changes in the conditions by changing form. Darwin's theory of "survival of the fittest" underlies the selection concept by explaining the adaption to market conditions for growth and survival. Natural selection compels the management to understand and adapt to the environment in which it operates.

However, according to Lowry (1997:78), none of these theories can rightfully explain the development of the different forms of shopping centres. The author continues to explain that the concept of a life-cycle provides a probable clarification for to the emergence and decline of the variety of shopping centre formats. Four stages are recognised: the innovation stage, the accelerated-development stage, the maturity stage, and the decline stage.

These stages can be explained in the light of market factors, developer strategies and retailer strategies. Market factors would allude to the number of competing centres, the shopper traffic generated, the growth rate, and the vacancy rate of the centre. Shopping centre development strategies focus on control, advertising and promotional activities, the maintenance and renovation of facilities, efforts to attract new retailers, rental and lease conditions. Retail-tenant strategies are based on advertising and promotional activities, special discounts and sales, merchandise variations and assortment, as well as store size and layout, and lastly, choice of management (Lowry, 1997:78).

Lowry (1997:78) stated that it is strategically important for developers, as well as retailers, to understand in which stage of the life-cycle a particular shopping centre format rests. It helps developers to determine their most effective allocation of resources, as well as helping retailers to making location decisions. To identify the correct life-cycle stage can be a challenge; but information from retailing analysts, shopping centre councils, as well as urban-development agencies could provide insightful information.

Factors, such as the centre's age, competitive forces, and changes in shopping behaviour might give an indication, but could also be misleading, since an individual centre may be in a different stage than that of similar centres (Smith & Betts, 2010:393).

Consumer markets are not static; and the demographics within the area of a particular shopping centre can change over time. It then becomes important for developers to see these changes and incorporate them into the upgrading or refurbishing of other existing shopping centres.

2.4 CONCLUSION

Shopping centre history makes for interesting reading; and it also provides a backdrop against which current trends can be offset. This chapter has explored the rise of the shopping centre in Britain, Europe, America, Australia, as well the fast-growing Asian countries and the United Arab Emirates. Thereafter, it examined the South African market, and the latest trends in the local market.

The development of new shopping centres has slowed down tremendously over the last 5 to 10 years in countries like England, and some European countries, where the focus is more on the redevelopment and refurbishment of old centres (Colpeart, 2010). However, in areas like Asia and the UAE the need for more shopping outlets is still predominant (Van Riper, 2008; Styan, 2010). In South Africa, the trend for refurbishment and the expansion of existing centres is evident in urban areas; whereas new shopping centres are planned for the suburban and rural areas (Prinsloo, 2010; Stops, 2013; Anon., 2013).

What is constant about shopping centre patronage is that it is continually evolving. The act of shopping has advanced from the basic activity of purchasing products to gaining an unforgettable experience. Customers' expectations are increasing, as a result of the competition between shopping centres. They are constantly searching for a variety of experience and choice, which translates to diversity: physically, economically and socially (Cloete & Skinner, 2010; Prinsloo, 2010).

In their new drive for redevelopment and refurbishment, property developers are taking into account the changing needs of the consumers, as well as the changing political and economic climates in their countries (Prinsloo, 2010: Anon., 2013). More emphasis is being placed on sustainable development internationally, since the consumer is also becoming more socially aware (Sustainable Measures, 2011). Shopping centres can no longer merely provide a service to the consumer by just being there, but they need to achieve a unique sense of place, and to create a favourable identity one. The current pattern of shopping centre evolution will possibly continue into the near future, when the importance of urban-public space in the quality of shopping environments will become even more important (Anon., 2012:5).

In order to plan a shopping centre or to refurbish effectively, it is important to understand the needs and preferences of consumers. The next chapter will be focusing on the concept of consumer behaviour by searching for clarity in one of the many consumer behaviour models.

CHAPTER 3

RETAIL MARKETING STRATEGY

3.1 INTRODUCTION

South Africa is a county where diversity is a part of life. The country consists of many urban, suburban and rural areas. Retail provision, in the form of shopping centres, has in the past, been focused mainly on big metropolitan areas, whereas small towns and rural areas were served by retail shops in the towns' centres, as well as informal trading in the rural areas (Cloete & Skinner, 2010:50). Shopping centres are becoming a viable retail option for the many consumers who were previously only supporting small retailers and informal traders. The black middle class has, post-apartheid, 1994, been growing at an exponential rate and predictions for future growth, as well as fierce competition in the market, is providing new and unique challenges for the retail industry. Furthermore, retail growth and development have the potential to impact job creation, skills development, and social responsibility, as well as consumers' standard of living (Anon., 2013).

According to Berman and Evans (2013:33), retailing is facing complex challenges. The weak economy, changing needs, and the demands of consumers, in addition to the changing demographics, fierce competition from other retail options, as well as the changing face of the internet, are providing retailers with an assortment of opportunities – with challenges.

The challenges facing the retail industry in fast-growing suburban areas, like Nelspruit, are similar to those in the rest of the South Africa. Many more shopping centres are being planned for the next five to ten years, and these will be creating fierce competition (Anon., 2013). At the moment, the growing numbers of young black middle-class consumers are starting to outweigh the traditional shoppers in retail outlets such as Riverside Mall where the current target market indications are that 54% of the shoppers are from the black race group (Riverside Mall, 2012). Migration from the townships into the suburbs of Nelspruit has led to changes in the needs and demands of the previously disadvantaged consumers. A typical consumer at the riverside shopping centre falls within the LSM 8 group. The shopping centre's trade area also includes Mozambique, as well as Swaziland, which provides a unique perspective on the culture and lifestyle of the shoppers in the centre (Riverside Mall, 2012).

Berman and Evans (2013:33) suggest that by using a well-structured, systematic and focused retail strategy it might be the only way that retail managers can address the challenges or capitalise on the opportunities. A strategic retail marketing plan, and the willingness to adapt to serve the needs and demands of the changing consumer, is the weapons that a retail marketer would need to survive the tough times that are coming.

Retail firms are being guided by retail strategies. Berman and Evans (2013:40-41) emphasise the importance for a retailer to develop and follow a retail strategy. Retail companies needs to respond to the changing market conditions, by having a plan-of-action that can be followed. Lusch *et al.* (2011:42) suggest that these firms should perform a SWOT analysis, and then utilise their resources to offset the opportunities. The strategic plan should provide direction to the retail company, by implementing an integrated strategy that addresses all the retail marketing factors; and the plan should be evaluated and revised at regular intervals.

An integrated strategy suggests a relationship between the elements within the strategy. Berman and Evans (2013:546) further identify four distinct factors that need to be taken into account when planning and executing an integrated retail strategy. The first factor relates to the planning procedure, as discussed in Chapter 2, as well as opportunity analysis. The starting point would be the overall objectives of the company, as directed by top management. This gives a directive to the lower levels to contribute ideas to the planning process. A sales opportunity grid could be used to evaluate each opportunity against the overall strategy (Berman & Evan, 2013:546).

The productivity or efficiency of the retail strategy is the second element that should be considered. The cost of implementing and executing a strategy needs to be offset against the goals and profits of the company. According to Berman and Evans (2013:548), the most productive approach needs to be followed. The next element is using performance measures to assess the effectiveness, and to set standards for reviewing the value of the strategy.

A strategy should not only be assessed externally, but internal performance measures should also be set. A measure that could be used to assess the company in measuring its performance is benchmarking: using measurement tools, such as SERVQUAL, best practices in industry, as well as gap analysis for measuring the internal performance (Berman & Evans, 2013:552).

The fourth factor that needs to be considered in an integrated retail strategy is scenario analysis (Berman & Evans, 2013:555). The retailer needs to put contingency plans in place that are based on possible future scenarios. Possible changes, as well as the intensity of such changes, need to be predicted; and premeditated plans need to be put in place.

The planning and executing of a proper retail strategy is a non-negotiable critical aspect of retailing. To survive in the highly competitive and ever-changing marketplace of retailing, a retail strategy becomes the driver to gaining a competitive advantage for the retail company (Berman & Evans, 2013:84). The factors that are pertinent in developing a retail strategy for retailers could also be applicable to the retail strategy that a shopping centre pursues (Wong *et al.*, 2001:78). This chapter will focus on the retail marketing strategies to be used, in order to entice consumers to seek and purchase goods and services from the retail environment.

Attention will be focused on investigating the factors that make a shopping centre attractive – and the shopping experience enjoyable – for the consumer; while at the same, time yielding a profit for the retailer.

3.2 THE NATURE AND SCOPE OF A RETAIL STRATEGY

The main purpose of a retailer is to meet the needs, wants and desires of a specific group of customers. Berman and Evans (2013:84) state that a strategic plan would provide the retailer with guidelines on the requirements for doing business. The retailer offers goods and services, in the right quantities, in the right place, and at the right price to customers, in order to meet their needs (Sullivan & Adcock, 2002:3; Hasty & Reardon, 2001:7). However, the retail market is not stable; but it is an ever-changing and exciting business. Retail strategic planning should be a priority, because the failure to plan might lead to risks that could have a negative effect on the future profitability of the retailer (Lusch *et al.,* 2011:41).

3.2.1 <u>Defining and explaining the retailing concepts</u>

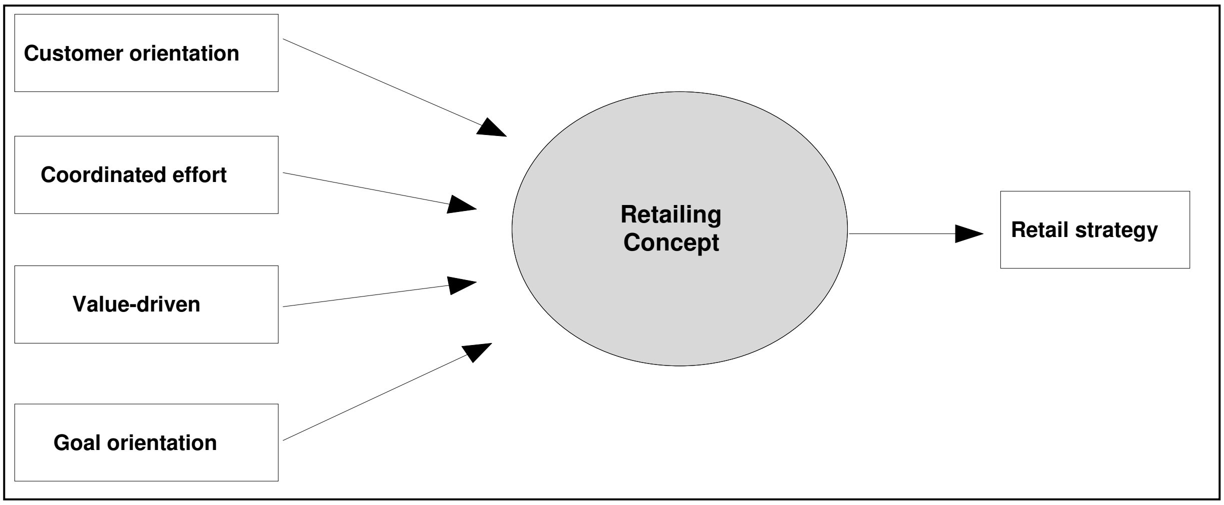
Various definitions for retail strategy exist. Levy and Weitz (2013:17) define retail strategy as... "*how the firm plans to focus its resources to accomplish its objectives"*. Lusch *et al*. (2011:52) describe a strategy in a similar way *"... a carefully designed plan for achieving the retailer's goals and objectives*". Berman and Evans (2013:14) describe a retail strategy as a comprehensive plan that would be able to guide and direct a retail firm.

According to Lusch *et al*. (2011:52), three consecutive strategies can be followed by retailers. The first strategy would be to focus on getting consumers into the store; then it is necessary to convince the shoppers to purchase merchandise and become customers; and finally, this should culminate with converting a consumer into a satisfied customer – at the lowest possible cost. Levy and Weitz (2013:17) propose that the elements that a retail strategy consist of should include a reference to the market that will be targeted by the retailer, the assortment of products and services that the retailer would use to satisfy the needs and demands of the target market, as well as the plan to build a sustainable competitive advantage over the competition.

The planning of a retail strategy should follow six steps, according to Berman and Evans (2013:40). These steps start with a clear definition of the scope and type of business; it then moves on to setting long-term, as well as short-term, objectives, defining the target market, setting out a long-term plan to direct the firm, implementing the strategy, and lastly evaluating the performance and taking any necessary corrective action. These steps are an extension of the three elements that are described by Levy and Weitz (2013:17). The authors identified the targeted consumer market, the nature of the goods and services; and they directed the retailer on how to build a competitive advantage over competitors. These steps could be expanded into a retailing concept that would use a customer-centred, value-driven approach that sets out clear goals for the strategy.

Figure 3.1 depicts the four principles that would culminate in a retailing concept.

FIGURE 3.1: APPLYING THE RETAILING CONCEPT



Source: Berman and Evans (2013:42)

Customer orientation is always at the centre of any marketing strategy. Consumers' needs and demands should be determined; and a strategy should strive to satisfy the needs of consumers as well as possible. In order to capitalise on the strategy, a co-ordinated effort that integrates all the plans and activities should be followed. This entails providing excellent value to the customers, whilst achieving the retail goals (Berman & Evans, 2013:43).

Retailers should make sure that the total retail experience that the customer receives is beyond reproach. All the elements present during a retail offering, and that might encourage or inhibit the retail experience should be considered. These would include *inter* *alia* internal elements, such as salespeople, displays, brands and prices. According to Berman and Evans (2013:44), consumers are not interested in a mediocre retail experience any longer, but look for excitement and excellent value for money.

The competition that exists between retailers and the sophistication of consumers' needs creates challenges for retailers to stay relevant and to become the preferred outlet. These elements force a retail company to look at building a sustainable competitive advantage (Levy & Weitz, 2013:114).

3.2.2 Building a sustainable competitive advantage

According to Levy and Weitz (2013:114), one of the main elements in the definition of a retail strategy refers to building a sustainable competitive advantage. This view is shared by Berman and Evans (2013:97). These authors refer to a competitive advantage as the ability to define customers' needs, and then to meet those needs in a distinct manner that is superior to those of the competitors. Sullivan and Adcock (2002:19) claim that although customer satisfaction is of vital importance, the ultimate aim of a successful retail strategy is to outperform other retailer competitors.

The marketplace is overcrowded; and for a retail outlet or shopping centre to stand out, it must develop a competitive advantage that would make it distinctly superior to the competitors. Lusch *et al.* (2011:56) reiterate the need for differentiation. The areas of differentiation include: the products, or different retailers that are trading in a shopping centre, the service that the customers receive from centre management, as well as retailers, and the location and image of the centre.

Levy and Weitz (2013:115) refer to the competitive advantage as an almost-impenetrable wall that is built around a retailer's market share and position within the marketplace. The competitive advantage also needs to be sustainable over a long period of time, implying that competitors should not be able to dilute the value of the competitive advantage. This advantage could also lead to long-term profitability if sustained over some time. Three approaches were identified by Levy and Weitz (2013:115) that could be followed in initiating and introducing a competitive advantage for the retailer.

The first is the building of customer loyalty. This would indicate that the retailer should become the consumer's first choice – even though better prices are offered by the competition. Activities that would enhance customer loyalty include a strong brand image with an understandable and unrelenting positioning in the market, and investing in a customer relationship programme that would ensure excellent customer service (Levy & Weitz, 2013:115). Research has shown that consumers who are leaning towards strong relationships with retailers will develop high levels of confidence and loyalty, and therefore, contribute more to the customers' share, and pay attention to marketing requests (Kim, Kang & Johnson, 2012:376). This relationship can be mutually beneficial, as the retailer and the consumer can both profit from this.

In a nutshell, relationship marketing represents the lifetime value a customer can add rather than the value of a single transaction (Ward & Dagger, 2007:281). The authors warn that a generalisation of the relationship-marketing concept, as well as a lack of understanding of the relationship variations in different environments, can lead to failure of relationship initiatives. It may be assumed that a stronger relationship will develop when there are frequent high involvements and extended service encounters. Once-off brief service encounters tend to be less intimate, and therefore, not prone to relationship building (Ward & Dagger, 2007:281).

Shopping centres, as well as retail outlets, use customer loyalty programmes to retain the existing customers. These programmes focus on targeted groups of repeat customers whose continued support is crucial to the performance of the retail outlet. A loyalty programme should include all the benefits that are sought by the consumers. According to Gable, Fiorito and Topol (2008:35) companies that are using customer loyalty programmes maintain an ongoing dialogue with their customers, in order to establish their preferences. These programmes would also serve to hinder any scheme launched by competitors that might draw the customers away. They act as barriers to customer attrition.

Building relationships with suppliers is the second approach to developing a sustainable competitive advantage. Collaboration between vendors and the retailer can lead to mutually beneficial long-term relationships that cannot easily be copied by competitors (Levy & Weitz, 2013:118). Co-operative advertising and collaboration between a shopping centre and the major retailers or manufacturers would be a good strategy to use.

The last approach would be the achievement of extraordinary internal operations that would ensure a cost advantage over competitors – by offering the consumer more benefits at the same or lower costs. The most logical way of achieving a cost advantage is with size. Larger retailers have the ability and capital to invest in refined systems that will streamline operations. The labour-intensive nature of retailing also leads to opportunities for cost saving. According to Levy and Weitz (2013:118), the recruitment and training of knowledgeable and skilled employees who are loyal to the retailer's objectives, can be instrumental to the success of a retailer.

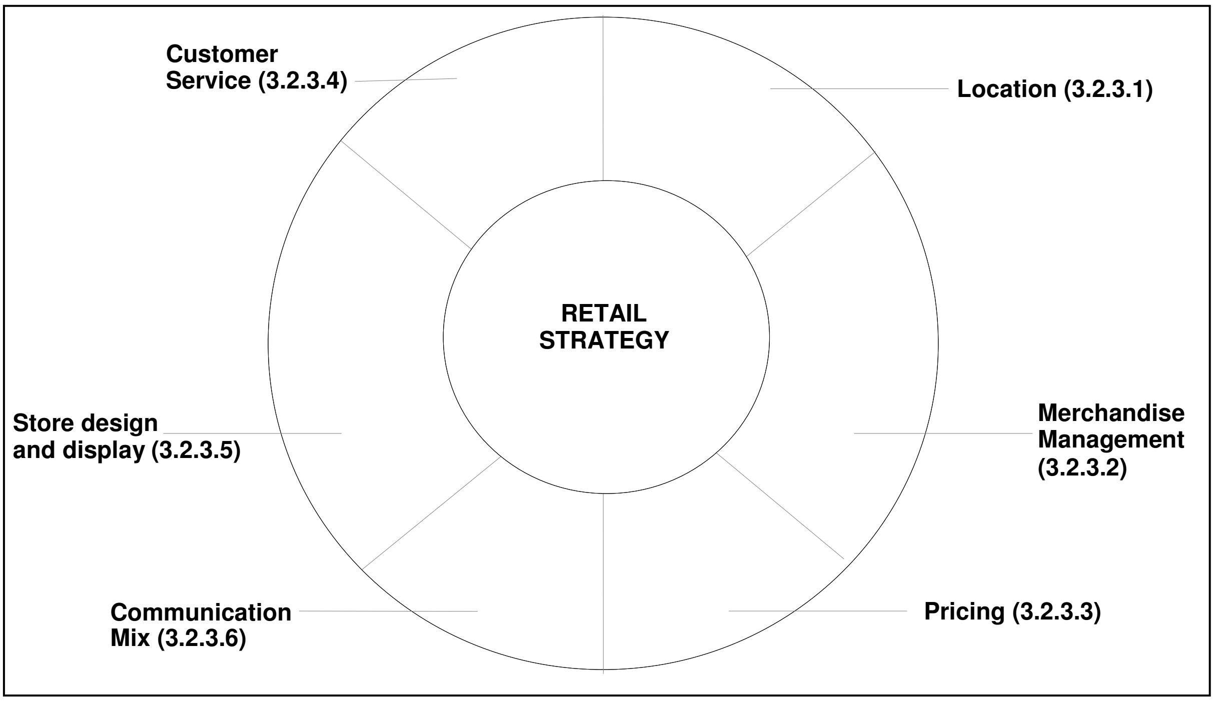
This view is supported by Hartnardy (2010:624), who states that the most profitable business for a retailer is repeat business; and that would imply satisfied customers who have received exceptional service delivery. Distribution and information systems can also aid in reducing operating costs, while at the same time ensuring optimum merchandise levels. This could ensure that a cost advantage is achieved (Levy & Weitz, 2013:118). The training of employees – from the cleaner to the clerks at the information desk – should be provided with proper training, in order to project the desired image of the shopping centre.

The significance of a sustainable competitive advantage forms the basis for a retailer to distinguish the business from those of the competitors, and to cater to the needs of consumers in their own distinct way (Gable *et al.*, 2008). Implementing the retail strategy will be discussed next.

3.2.3 Implementing the retail marketing strategy

Levy and Weitz (2013:20) suggest that retailers should implement a retail strategy by developing a retail mix that satisfies the needs of customers – in a way that sets them apart from the competition. Through a set of the right decisions, the retailer should strive for an optimum retail mix that would attempt to satisfy the customers' needs and influence their purchasing decisions. Figure 3.2 shows the elements that should be included in a retail mix that would lead to the best possible retail strategy (Levy & Weitz, 2013:20).

FIGURE 3.2: ELEMENTS IN THE RETAIL MIX



Source: Levy and Weitz (2013:20)

Lusch *et al.* (2011:61), included the following six elements in their definition of a retail mix, *"...the combination of merchandise, price, advertising and promotion, location, customer service and selling, and store layout and design".*

Sullivan and Adcock (2002:20) argue that retailers need to make strategic decisions about the retail mix, and that adding value to the goods and services they sell should be their primary objective. Table 3.1 describes the elements that are included in the retail marketing mix, as well as a description of how these elements come to the fore in a strategy. These elements show a similarity to the elements that were discussed by Levy and Weitz (2013:20). Sullivan and Adcock (2002:19) claim that although customer satisfaction is of vital importance, the retailer should use the retail strategy to do better than other retail competitors.

The elements that Sullivan and Adcock (2002:20) mention will all be alluded to in this chapter; however, the format that will be used will be based on the retail mix, as described by Levy and Weitz (2013:20) in Figure 3.2.

TABLE 3.1: THE RETAIL MARKETING MIX

ELEMENTS	DESCRIPTION
Location	Physical or virtual placement of outlets
Image / Reputation	Managing and encouraging demand (traffic/shopper visits)
Store design / Environment	Interior and exterior design (layout, display, atmospherics)
Range / Assortment	Mix of items offered for sale
Pricing	“Shelf prices” relative to competitors
Promotion	Store-based and market-based communication
Customer service	During and post-sale
Relationship management	Building loyalty and positive shopper perceptions

Source: Sullivan and Adcock (2002:20)

The elements included in the retail mix of the retail strategy, as suggested by Levy and Weitz (2013:20) have many commonalities with the elements that Wong *et al.* (2001:80) Hart *et al.* (2007), Bellenger *et al.* (1977), Ganesh *et al.* (2007), Sit *et al.* (2003) and Frasquet *et al.* (2001) included in their instruments for measuring shopping centre attractiveness and will be discussed in more detail in Chapter 5. The elements in the retail mix identified by Levy and Weitz (2013:20), as they apply to retail outlets and shopping centres will be discussed next.

3.2.3.1 Location

Berman and Evans (2013:292) refer to the optimal site for a retail outlet the “one-hundred percent location”.

Location is of strategic importance to a retail outlet, and this is one that can be used to develop a sustainable competitive advantage (Levy & Weitz, 2013:217). A location evaluation checklist was developed by Berman and Evans (2013:293). They included the following factors: pedestrian traffic, vehicular traffic, parking facilities, transportation, store composition, specific site, terms of occupancy, and an overall rating in the list. The authors, however, warn that this list must be used in combination with a trade area analysis.

The location decision of a new shopping centre is taken by property developers in conjunction with town planners. Prinsloo (2010c:157) states that there should be sufficient inhabitants in the area, as well as adequate disposable income in an area – in order to merit a new shopping centre. In addition to this, the population's 'demographics, as well as socio-economic profile, must be in agreement with the objectives of the owners and developers. Prinsloo (2010c:157) further explains that making a decision on location should involve decision-making on three levels, namely: the macro-, meso- and micro-levels.

The macro-level, or geographical market analysis, requires a GAP analysis, in order to determine areas for specific growth in development in a specific geographical location. This analysis involves an analysis of the area population, the economic base, and future growth and developments in the area. The meso-level, that Prinsloo (2010c:157) refers to, involves the trade area analysis. The trade area would be influenced by the size and shape of the planned centre, the physical barriers, the competitors in the market, as well as the driving time, distance, and the availability of public transport.

Berman and Evans (2013:292) identify three main factors that can be used in an analysis of the trading area: the population characteristics, the economic-base characteristics and competition, and the level of saturation. On the micro-level, the precise site is identified. Prinsloo (2010c:157) names factors, such as: accessibility, visibility, topography, utilities – as well as pedestrian and traffic flow – as being important factors.

The next element, the merchandise mix and the management thereof, will be discussed next.

3.2.3.2 Merchandise management

The success of a shopping centre relies heavily on the merchandise philosophy that drives the merchandise plan. Lusch *et al.* (2011:309) define merchandise management as *"...the analysis, planning, acquisition, handling and control of the merchandise investments of a retail operation*". According to Berman and Evans (2013:386), a merchandise plan would deal with forecasts, allocations, timing, innovativeness, assortment and brands.

The forecast function prefigures future sales during certain periods, in order to facilitate the correct depth and width of the product mix. Stock lists that specify the colour, brand and other variables are drawn up for all products. Allocations refer to the amount of merchandise that is displayed in the store and the stock levels that are kept at the back (Berman & Evans, 2013:387).In every retail store, the flow of products should be managed to facilitate the correct stock levels during peak and off-peak times (Berman & Evans, 2013:389). This function is related to timing, and deals with orders, delivery time and stock turnover. Innovativeness suggests that the retailer should, by careful planning, use every opportunity to obtain and maintain a competitive advantage over business rivals.

Berman and Evans (2013:390) further indicate that trends, as well as the life-cycles of products should be analysed. Assortment relates to the selection of products and services that the retailer offers his customers. Sullivan and Adcock (2002:168) suggest that an appropriate range of products and services should be offered that would satisfy the consumers' needs better than the competitors – whilst at the same time yielding a sustainable profit. The width and depth of the product mix refers to the number of product lines, as well as the number of products in each product line that make up the total product mix. The last factor relates to the brands that the retailer carries. Decisions on the brands would involve decisions between manufacturers' brands and private (store) brands, as well as generic brands. According to Sullivan and Adcock (2002:177), brand propositions consist of intangible and tangible attributes that impact on the quality and the preferences of the consumers.

To classify an ideal tenant-mix, Snyders and Cloete (2010:331) suggest the following: a shopping centre should have a wide range of shops to facilitate diversification. The retail outlets within the centre should portray a specific image. There should be a balanced diversification of shops in the centre – by offering a wide mix of brands. There should be synergy between the tenants; and there should be enough variety to create the maximum attractiveness to the population in the trade area. This tenant-mix should also ensure the maximum return on investment for the developers or shopping centre owners. The management of a shopping centre should develop a policy for tenant-mix that would meet consumer demands, create traffic in the centre, prolong the shopping trip, encourage cross-shopping, and meet the centre's productivity demands (Snyders & Cloete, 2010:334).

According to Howard (2007:663), there is evidence that some shoppers use shopping as a leisure activity. Entertainment and food are crucial aspects of the services offered by a shopping centre. Wakefield and Baker (1998:532) indicate that food and entertainment should provide exciting options when a shopper needs to take a break from the hours they spend shopping.

3.2.3.3 Pricing

Pricing is not an activity that can be viewed in isolation; but it should be viewed interactively with decisions on merchandise, location, promotion, credit, customer service, store image and legal constraints (Lusch *et al.,* 2011:355). Pricing decisions are made on retailers' levels, and should be in accordance with the retailers' mission statement and merchandising policies. According to Lusch *et al.* (2011:381), the pricing objectives can have one of three orientations: profit, sales – or seeking to maintain the *status quo*.

Berman and Evans (2013:452) argue that pricing should achieve profitability for the retailer, whilst also satisfying the customers. Three basic pricing options are available for a retailer: a discount orientation, where prices become a competitive advantage and a no-frills and a low-per-unit profit margin targets the price-conscious consumers. Secondly, an at-the-market strategy ensures average prices, solid service, an average atmosphere and average quality goods to middle-class consumers. The third option is an upscale orientation, where a prestigious image is used to target a smaller market of high-end consumers with distinctive products and services.

Demand, cost and the competitive environment are all elements that are paramount in the success of a pricing strategy (Berman & Evans, 2013:453).

3.2.3.4 Customer service

Literature on the subject and importance of services in a shopping centre environment are confined to the behaviour of retail employees. According to Hartnardy (2010:624), quality management principles will dictate the processes, which in turn will impact on service delivery. Factors, such as courtesy, knowledge and friendliness, are also mentioned. The retail strategy should include a strategy that maximizes customer service at a retail level. According to Beitelspacher, Richey and Reynolds (2011:216), a culture of service can be developed through a set of norms and standards that will steer the organisation and set expectations for employees. This can be used to compete in service delivery, where products are becoming more substitutable. Service culture has a direct influence on consumers' perceptions of quality and market performance in terms of repurchase intentions and customer loyalty (Beitelspacher *et al.,* 2011:216).

Customer service encompasses a wide variety of services. It includes pre-transaction, transaction, as well as post-transaction services (Lusch *et al.,* 2011:435-449). The pre-transaction services are experienced before a customer enters a particular store – or even before entering the shopping centre. This would include: convenient shopping hours, safe parking and convenient and reliable information services. During the transaction phase, a customer would experience offerings that would facilitate a smooth purchase. Credit, lay-bys, gift wrapping and packaging, and gift cards can all be part of the transaction. Complaint handling, merchandise returns, repairs, and deliveries, as well as follow-ups are all, according to Lusch *et al.* (2011:435), part of the post-sale services.

Relationship efforts become increasingly important as a source of consumer value. As mentioned previously, shopping centres, as well as retail outlets, use customer loyalty programmes to retain their existing customers. Research has shown that consumers who are leaning towards strong relationships with retailers will develop high levels of confidence and loyalty, and therefore contribute more to customer share and pay attention to marketing requests (Kim *et al.,* 2012:376). The lifetime value of a customer can have a positive effect, and culminate into a mutually beneficial relationship, from which the retailer and the consumer can both profit (Ward & Dagger, 2007:281).

It may be assumed that a stronger relationship would develop when there are frequent levels of high involvement and extended service encounters. Once-off brief service encounters tend to be less intimate; and therefore, they are not prone to relationship building (Ward & Dagger, 2007:281).

Design elements relate to the visual impact that a retail outlet would have, and this factor will be discussed next.

3.2.3.5 Store design and display

Shoppers first judge a shopping centre by what they see around them. Wakefield and Baker (1998:531) confirmed this by explaining that consumers' earliest inkling and original level of excitement is mostly generated by the physical environment to which they are exposed. If the architectural design of the centre, or the layout, become outdated it may be necessary for renovations to be able to keep up with more exiting shopping centres (Wakefield & Baker, 1998:531).

Berman and Evans (2013:492-496) include external as well as internal design elements. The external elements include the visibility of the retail outlet, uniqueness, parking facilities, storefront, entrances, walkways and window designs. Internal elements relate mostly to the atmosphere and physical layout of the retail outlet.

Presentation and display should be integrated with other elements in the retail mix, and can be used to add value, and to differentiate the store or shopping centre. According to Price and Cloete (2010:642), design affects consumers on the psychological level by shaping or modifying behaviour. Proper design and layout can increase the time spent in stores; they can increase the enjoyment of shopping, increase spending, increase the likelihood of returning to the store, as well as supporting the positioning strategy of the store or shopping centre (Price & Cloete, 2010:644).

Communicating with consumers is an important element in the retail mix and will be discussed in the next section.

3.2.3.6 Communication mix

Retailers should engage in ongoing communication with consumers, in order to facilitate sales and stimulate traffic in the retail environment. Sullivan and Adcock (2002:228) suggest that the communication should follow the simple process of a sender that formulates a message (encoding), that is then transferred via television, radio, newspapers etc. (the media) to the intended receiver (the customer) that assign meaning to the message (decoding). The traditional promotional mix that involves advertising, sales promotion, and publicity, as well as personal selling, should be used for retail promotion (Lusch *et al.*, 2011:389).

This view is supported by Berman and Evans (2013:509). Retail promotion has the objective to inform, persuade and remind consumers of the retail outlet, as well as the products and services that are available. A promotional strategy involves the determining of promotional objectives, establishing the budget, selecting the promotional mix, the implementation, and lastly – reviewing and revisiting the plan (Berman & Evans, 2013:526).

Advertising is a widely used form of communication; and it consists of paid communication by an identified sponsor through a variety of mass-media options (Berman & Evans, 2013:510). Added to the primary objective of informing and reminding consumers about the retail outlet products and services, other objectives relate to increased traffic, short-term sales, reinforcing the retail image, and stimulating the private brands (Berman & Evans, 2013:512). The media options range from the traditional magazines and newspapers to outdoor media and the internet, as well as the social media.

Sales promotion is used to induce immediate response, and is based on the premise of offering additional items of value to the consumers. According to Sullivan and Adcock (2002:213), sales promotion consists of either single-event sales promotion involving a single purchase, or continuity sales promotion involving multiple purchases over a longer period of time. Point-of-sales (POS) displays are used to communicate the image of the store by making use of window displays and product displays, as well as the layout of the store (Sullivan & Adcock, 2002:216).

Public relations can be a pre-planned actions, or they can often be unplanned and unexpected; and because of this lack of control, they can be image-enhancing or image-detracting (Berman & Evans, 2013:517). The disadvantage of negative publicity should be managed and counteracted by controlling the information that is broadcast in the media. According to Berman and Evans (2013:517), blogging has become a new interactive way to communicate with like-minded consumers; and it can enhance the public image of the retailer if it is correctly controlled. Other social networks that is often used by retailers to keep consumers up to date with news is Twitter, Facebook and Pinterest.

The personal selling function relates to customer service; and it impacts on the image and success of a retail outlet. Hasty and Reardon (2001:534) argue that personal selling is often the only way a consumer can provide immediate feedback to the communication message. Salespeople use various techniques to determine consumers' needs, to present the product features and benefits, and to close the sale.

An integrated promotional strategy should be used, where all the element in the promotional mix are combined in such a way that the objectives of the retail outlet are met. Message content, and timing, as well as promotional tools, should be in harmony, in order to provide a clear-cut message to the consumers (Berman & Evans, 2013:531). The marketing of a shopping centre will be discussed later in the chapter.

The elements of the retail strategy influence the image of a retail store or a shopping centre. According to Wong *et al.* (2001:80), the concept of a retail image can be transferred to be applicable to a shopping centre where combinations of retail stores are found.

This study is concerned with shopping centre attributes and overall attractiveness and for that reason, the following sections will deal exclusively with shopping centre image, as well as the marketing of shopping centres.

3.2.4 <u>Image of the shopping centre</u>

The retail image refers to the image of individual stores; and it can be defined as *"… the way in which a retail store is interpreted in the shopper's mind partly by its functional qualities and partly by an aura of psychological attributes"* (Martineau, in Sit *et al.*, 2003:81).

Shopping centre image studies focus on attributes that contribute to the building of an image that encompasses the totality of the centre, and this is not only reliant on the stores. The additional considerations could include: atmospherics, parking, safety, ambience and luxury (Sit *et al.*, 2003:81).

Retail image relates to the perception or mental construct that a consumer and others hold of the retail outlet (Berman & Evans, 2013:94). According to Hart *et al.* (2007) it is a multidimensional concept that consists of features that can be classified as tangible or intangible. A retailer would use positioning to project the retail image relative to the competition within its retail category.

A ground-breaking study on the assessment and prediction of shopping centre patronage was conducted by Martineau in 1958 (Sit *et al.*, 2003; Wong *et al.*, 2001). Martineau conceptualised retail-centre image as a multi-dimensional construct, consisting of distinct attributes, such as merchandising, accessibility, service and atmospherics.

Lusch *et al.* (2011:232) have drawn attention to the fact that a shopping centre image is one of the draw-cards for potential consumers. A consumer would consider a centre with a specific image and personality within which he feels comfortable. This notion of positioning is supported by Levy and Weitz (2013:116). The authors argue that a retailer or shopping centre can use positioning to create a brand image in the consumers' mind and to build on this image to obtain a competitive advantage. The brand identifies a shopping centre or retailer; and it creates value. The term brand equity is used to signify the value that consumers, as well as retailers, would receive from a strong brand image.

According to Berman and Evans (2013:488), a retailer should use a positioning strategy to portray and communicate the retail image to consumers and competitors. The process of creating and maintaining a good retail image is ongoing; and it should be used for the purpose of differentiation. The design and environment of the retail outlet or shopping centre should evoke a mood, an image or a mind-set, and should entice the customers to come back for more. Berman and Evans (2013:488) further argue that this image would dictate the perception that a consumer has of the retail outlet; and it must be distinctive, clear and consistent.

Baker (in d'Astous, 2000:150) divided the physical shopping environment into three distinct components. The first deals with the ambient factors; these factors are background aspects and may or may not be consciously perceived; but they affect the senses.

The design factors are those factors that are directly perceptible by consumers; while the third comprises those social factors that are directly related to people in the environment. A summary of these factors is provided in Table 3.2.

TABLE 3.2: THE CONCEPTUALIZATION OF THE ELEMENTS OF THE SHOPPING ENVIRONMENT

CATEGORY	DEFINITION	FEATURES
Ambient factors	Background conditions that exist below the level of our immediate awareness	Air quality: temperature, humidity, circulation/ventilation Noise: level and pitch Scent Cleanliness
Design factors	Stimuli that exist at the forefront of our awareness	Aesthetic: architecture, colour, scale, materials, texture, pattern, accessories Functional: layout, comfort, signage
Social factors	People in the environment	Other customers: number, appearances, behaviour. Service personnel: number, appearance, behaviour

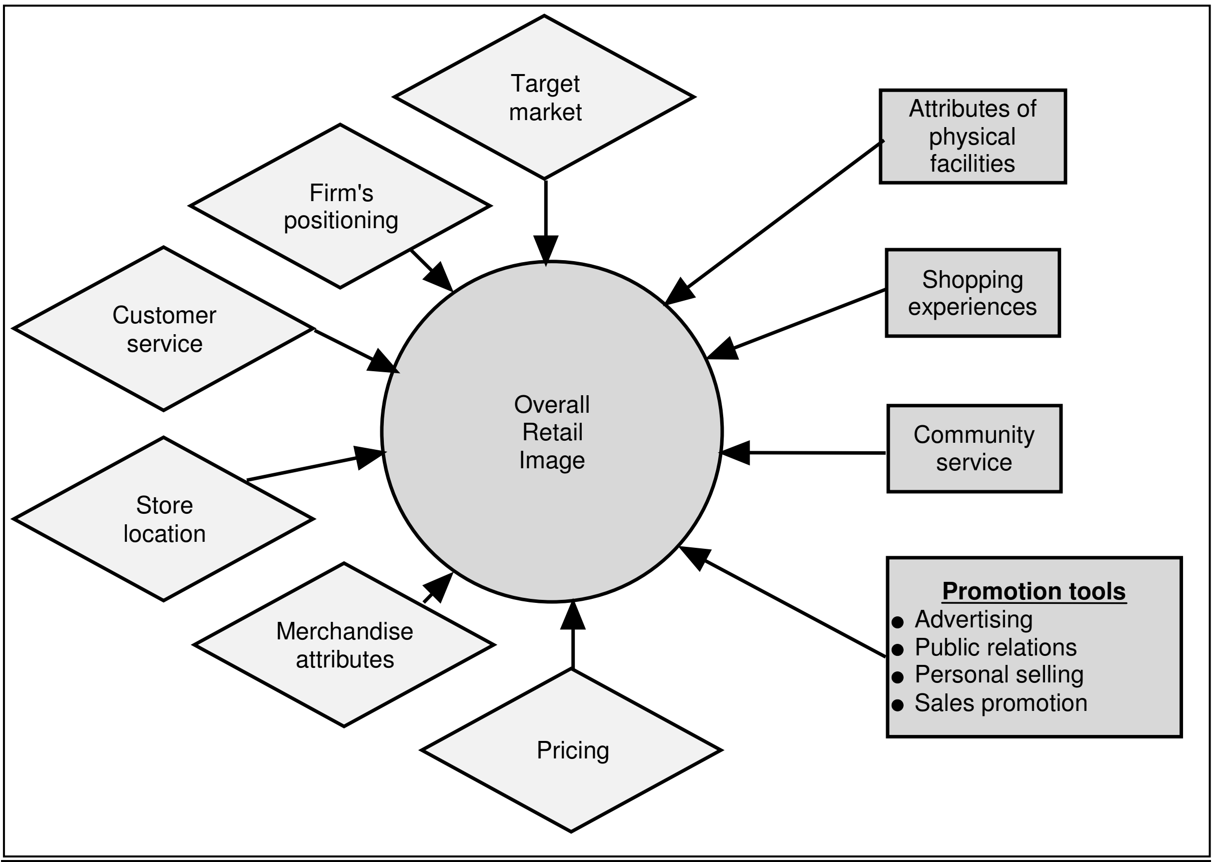
Source: Baker (in d'Astous, 2000:150)

Although the retail image consists of many different elements, the combination and synergy between these elements is the backbone of a strong overall image (Berman & Evans, 2013:488).

According to Berman and Evans (2013:488) as well as Hart *et al.* (2007), aspects that influence the retail image should not be considered in isolation; but rather the combination and entirety of the factors should be considered, and how they are used in synergy to create a unique image.

Figure 3.3 allude to the factors that, in combination provides synergy to influence the overall retail image. The authors furthermore explain that retailers need to use these elements in such a combination as to entertain shoppers in order to lure them from their busy schedules. Disney and Gap is excellent examples of retailers that use the elements of the retail image to provide experiences and entertainment to customers. Further to this, a retailer with multiple stores needs to maintain a consistent image across the range of outlets (Berman & Evans, 2013:490). Many of the individual elements that are encompassed in the retail image, such as location, pricing, customer service, merchandising, promotion and positioning have already been discussed in the previous section.

FIGURE 3.3: ELEMENTS OF A RETAIL IMAGE



Source: Berman and Evans (2013:488)

The image of a retail establishment can also be termed the "attractiveness" of the centre and this will be explained in detail in Chapter 5.

3.3 MARKETING AND PROMOTION STRATEGIES FOR A SHOPPING CENTRE

The shopping centre phenomenon that has mushroomed all over the world has led to increased competition between shopping centres that are in some ways carbon copies of each other. The need for proper marketing and promotion of the centres, and to find the elusive competitive advantage has become even more crucial – if survival of the shopping centres is to be assured (Wakefield & Baker, 1998; Kupke, 2004; Lee & Trim, 2006).

Fourie and Foreman (2010:694) declared that a new era of shopping centre marketing emerged during the 1990s, when crowd-gathering promotions became outdated. A new view embraces the thought that shopping centre marketing is an investment for all stakeholders. The focus seems to fall more on promoting and marketing individual retailers, rather than the centre as a whole. This view is in contrast with the view held by North and Kotze (2002:35) who see a shopping centre as just another brand.

Shopping centre marketing is defined by Kirkup and Rafiq (1999:121) as follows: *"...offering a service for targeted consumers to gain convenient access to a desirable mix of retailers within a managed environment that provides a satisfying and safe shopping and leisure experience".* This definition suggests that a shopping centre satisfies the normally established character of a service that encompasses the intangibility of the setting, the inseparability of the consumer from the process of consuming the experience, the heterogeneity of the service quality – given the diversity of the people involved and the elements implicated in the service process – the perishability of the experience, and the lack of ownership. In the light of the products that are sold to consumers, Kirkup and Rafiq (1999:122) stated that this cannot, however, be regarded as a pure service, but should rather be seen as a service with accompanying products.

The starting point for any marketing campaign is a thorough knowledge of the consumer, his perceptions, attitudes and behaviours, as well as his needs and wants. Lee and Trim (2006:731) argues that retail marketing planners should adopt a reflective approach to marketing-decision-making, this entails better marketing knowledge and insights into new theoretical approaches. Marketing plans should be based on accurate quantitative information of trade-area demographics and economies (Fourie & Foreman, 2010:694). The size of the marketing team structure within a shopping centre would depend on the size of the centre. In many instances, a marketing company takes control over the marketing activities of centres that belong to the same group of developers. The marketing plan that should be drawn up should reflect amongst other things, the strengths and weaknesses of the centre, and its position in relation to the competition (Fourie & Foreman, 2010:694).

A possible competitive advantage should also be identified. Objectives should be set that would lift the shopping centre out of the masses, and make it the shopping centre of choice. Fourie and Foreman (2010:695) suggest that the development, and ownership, as well as the management of a shopping centre, can all have an influence on how the marketing strategy is developed. Added to that, there is the fact that consumers actions cannot be predicted, and that consumers often have conflicting objectives, thereby making this an epic task. The development of long term relationships with consumers can lead to customer loyalty (Lee & Trim, 2006:733).

Kirkup and Rafiq (1999:121) divided the marketing elements of a shopping centre into pre-opening elements and post-opening elements. Pre-opening elements include the location, interior design, exterior design and tenant mix. The post-opening elements or active-marketing elements include customer services offered, the costs that customers incur, participants in the exchange, as well as effective communication.

Some of the elements that are relevant in the pre-opening phase of a shopping centre like location and to a certain extent the design and tenant-mix, are once-off or long-term decisions. However, according to Kirkup and Rafiq (1999:122), shopping centres need to constantly assess the situation, and adapt and change in response to any new developments in the environment. Warnaby and Yip (2005:45) argue that pre-opening elements such as location, external and internal design results from interactions with the various stakeholders and they confirm that all these decisions will be permanent long term decisions. The need for refurbishment, due to physical deterioration, changing consumer preferences and tenant requirements can lead to physical changes in the building and access.

The design of the centre may also become dated, and the centre might be lacking atmosphere. This should be changed to keep the centre appealing and fresh for the consumers. The accessibility of a centre cannot easily be changed after opening, but the accessibility can be improved or be perceived to be improved. Measures that can be taken include proper signage, improving car parks and bus services, as well as longer trading hours (Kirkup & Rafiq, 1999:123).

The post-opening marketing mix elements focus on communication, customer service, cost and participants. Warnaby and Yip (2005:46) includes “relief” services, such as seating, restrooms and telephones, as well as “distraction” services, including entertainment and food outlets, as part of the customer services of the post opening marketing mix. The participants would refer to all the staff with whom a shopper would come into contact during a shopping trip; and these would include, amongst others, security staff, cleaning staff, as well as retail staff. The most critical of these elements remains the communication strategy. This has to convince consumers to change their shopping habits, in order to select the shopping centre above all other retail outlets. The communication strategies would be determined by the size and shape of the shopping centres (Warnaby, Bennison & Davies, 2005:894).

Customer service relates to offerings that would make shopping a more pleasurable experience. These could be part of the design, such as seats and restrooms; or they could be added – such as shopping trolleys, service desks and signage. Other offers could include special parking bays for the disabled, frequent-shopper cards, entertainment and food outlets. All these added services can form a basis for differentiation (Kirkup & Rafiq, 1999:127).

Visits to a shopping centre do not always involve direct monetary cost, such as a service charge; but they do involve opportunity costs, such as time and effort (Kirkup & Rafiq (1999:127). A consumer's prediction of his shopping effort depends on his perception of the time needed to complete the shopping. Because of the perceptions of the time needed to complete the shopping task, these could influence decision-making and purchase behaviour. Marketers targeting time-sensitive consumers may need to consider clear references to time in their marketing efforts. The centre management should endeavour to minimize the opportunity cost. Kirkup and Rafiq (1999:127) suggest that, free parking, as well as a pleasant shopping environment, should help reduce costs.

According to Kirkup and Rafiq (1999:127), the participants in a shopping centre are all those people that a customer would come into contact with during their shopping experience. These would include salespeople, and operational staff, as well as other customers. Staff members can be trained to provide a friendly and reliable service to customers. Security personnel can be visible and courteous, in order to ensure a safe and comfortable environment.

One of the benefits of shopping in a shopping centre is the socialisation that can take place. The presence of other shoppers can, therefore, be an advantage; or it could be a source of irritation. Crowding and the presence of young unruly children can be a deterrent in a shopping environment (d'Astous, 2000:151). Kirkup and Rafiq (1999:132) argue that the management of services, operational and store personnel should be a responsibility of the marketing function, as well as the operational function in a shopping centre.

A crucial part of the marketing function of a shopping centre involves the promotional activities. Fourie and Foreman (2010:701) confirm that promotions are intended to stimulate sales – by increasing shopper traffic in the centre. All promotional activities should be supported by strong advertising and editorial platforms, such as exposure in local newspapers and other media, to attract new shoppers to the centre. Promotional activities could also include exhibitions, as well as community involvement and social responsibility (Kirkup & Rafiq,1999:127; Fourie & Foreman,2010:701).

The public-relations function of a shopping centre should ensure that the centre acquires the right exposure with the right target audience (Fourie & Foreman, 2010:709). To avoid or pre-empt negative publicity, a useful tool will be regular meetings with stakeholders to create a "tenant performance index" to ensure good performance by the tenants and avoid possible problems (Warnaby & Yip, 2005:51).

Marketing can strengthen a shopping centre's position and image in the marketplace, and help to develop a compelling brand personality. The marketing manager needs a detailed understanding of the target market, the tenant mix, as well as the competitive environment of the shopping centre (Fourie & Foreman, 2010:701; Lee & trim, 2006:733; Warnaby & Yip, 2005:51; Kirkup & Rafiq, 1999:127).

3.4 CONCLUSION

This chapter has explored the retail strategy, as well as marketing and promotional strategies for retailers and shopping centres. It is important to keep in mind that the strategies used for any retail outlet are also applicable to shopping centres (Wong *et al.,* 2001:81).

The discussion started with the retail strategy – by exploring the definition and reinforcing the notion that a retail strategy should ultimately focus on building a sustainable competitive advantage. Thereafter, the six elements in the retail mix were discussed. Location is a crucial aspect in retail management, as this is the point-of-departure, as well as the element that is the most difficult to change after a decision is made. The merchandising plan is driven by the merchandising philosophy of the retailer; and this can contribute to the success of the retailer if executed correctly. Pricing was the third element that was discussed; and a pricing strategy was suggested that would ensure continuous patronage of the retailer.

Retailers should set a culture of service by establishing a set of norms and standards that would steer the organisation and set expectations for employees. Customer service is the central revenue-generating variable for a retailer. According to Sullivan and Adcock (2002:249), it can also be both a competitive advantage, as well as an organisational cost. A strategic approach needs to be followed to facilitate the integration of customer service with a customer-relationship programme, in order to develop a mutually beneficial association between the centre and the consumer.

The last two elements dealt with store design and the promotional mix. The design of a retail outlet should focus on drawing the attention of the targeted consumers, as well as portraying a favourable image of the retail outlet. The task of communication is to make sure that the consumer is informed of the retail outlet and its offering through a variety of media channels and options.

Retail image relates to how a retailer is perceived by consumers and other stakeholders. This can be projected by using a positioning strategy, as well as sensual clues, like ambient factors or atmospherics. According to Levy and Weitz (2013:490), as well as Yani-de-Soriano and Foxall (2006:403), atmospherics provoke emotional reactions through the senses. These emotional feelings are intended to entice consumers to remain in the store setting, to browse, evaluate and eventually to purchase products and services.

The last part of the chapter was devoted to the marketing and promotion of a shopping centre. A shopping centre can be marketed and promoted as a single entity, where the centre is the destination. It can strengthen the shopping centre image and position the centre as the preferred choice for consumers. Retailers and shopping centres have a shared purpose, namely to make shoppers spend more time in the shopping centres, to spend more money, and to re-visit these centres on a regular basis (Fourie & Foreman, 2010:701; Warnaby & Yip, 2005:51).

The consumer is the pivot point in any retail-market strategy, and marketing plans and strategies are based on overt or implied beliefs about consumers and their behaviour. A better understanding of consumer behaviour can provide shopping centre management, as well as individual retailers, with an advantage. Retail-buying behaviour and consumer behaviour models will be discussed in the next chapter.

CHAPTER 4

CONSUMER BEHAVIOUR IN A RETAIL CONTEXT

4.1 INTRODUCTION

The retail industry worldwide has exploded, with more than 1600 formal shopping centres in South Africa alone. In Chapter 2, the development and establishment of shopping centres worldwide was discussed. A recent decline in the development of new shopping centres in the USA, Europe and South Africa has been noted; however, more shopping centres are being refurbished and extended. The UAE, most Asian countries, and the rural parts of South Africa are still developing new centres.

The newest trend is towards specialised, entertainment centres and lifestyle centres that use their exclusivity as a competitive advantage. Social responsibility is of paramount importance, and the greening of new and refurbished shopping centres is receiving greater attention.

In Chapter 3, the discussion revolved around retail marketing strategy of shopping centres. The attractiveness of a shopping centre, as well as the service delivery in the shopping centre, should make shopping a pleasant experience for all customers, and would warrant repeat patronage.

This chapter will focus on consumer behaviour. A detailed explanation of consumer behaviour models, and in particular the model of Hawkins and Mothersbaugh (2007), will be discussed and used as a baseline for the discussion on the decision-making process. Special emphasis will be placed on outlet selection.

4.2 DEFINING CONSUMER BEHAVIOUR

The first academic conversations about human consumption behaviour were called "conspicuous consumption" by Thorstein Veblen in 1899 (Mowen, 1995:4). The view that Veblen expressed was that an industry is not there for the purpose of producing goods, but rather for satisfying the needs of consumers.

Various definitions of consumer behaviour exist, as is typical in a developing field of study. According to du Plessis (2007:8), there is no universally acceptable definition. One of the earliest definitions that are still used by Kotler (2011) is "...*the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs".*

Neal *et al.* (2006:5) give a very concise definition: *"…a discipline dealing with how and why consumers purchase (or do not purchase) products and services".* This definition is only concerned with the actual purchasing; and it does not concern itself with the use, evaluating or disposing of products and services.

According to the American Marketing Association consumer behaviour is *"… the dynamic interaction of affect and cognition, behaviour, and the environment [in] which human beings conduct the exchange aspects of their lives."* (Peter & Olson, 2008:5). This definition pays homage to the fact that there are affective and cognitive behaviours that should be understood and provided for when marketing products or services. Furthermore, this definition suggests that there should be interaction between a consumer and another party (the retailer or salesperson).

The next definition is that of Hawkins *et al.* (2007:6): *"…it is the study of individuals, groups, or organisations and the processes they use to select, secure, use and dispose of products, services, experiences or ideas to satisfy [the] needs and the impacts that these processes have on the consumer and society".* This definition is more comprehensive than all the others; and it incorporates social responsibility. The impact of consumer behaviour on society is one of relevance in the current marketing arena.

For example, the aggressive marketing of high-fat foods, or the aggressive marketing of easy credit, could both have serious consequences for the national health and economy. Ultimately, the behaviour of consumers will be measured by focusing on how individuals make decisions to spend their accessible resources (time, money, effort) on consumption-related items. The questions that need to be asked are: What do they buy? Why do they buy? When do they buy it? Where do they buy it? How often do they buy it? How often do they use it? How do they evaluate it after the purchase? What is the impact of such evaluations on future purchases? And finally, how do they dispose of it?

The next section will explore the study of consumer behaviour, by providing an overview of the roots of consumer behaviour – and the importance of consumer behaviour.

4.3 AN OVERVIEW OF CONSUMER BEHAVIOUR AS A FIELD OF STUDY

The development of the theory of the marketing concept during the 1950s necessitated the study of consumer behaviour. The importance of this topic was realised by academics and marketers alike, and is driven by the notion that businesses function to fulfil consumers' needs and wants – by understanding their behaviour and thought patterns.

Leavitt (in Britt, 1966:3), a psychologist, proposed that *"...man is diversely motivated, and a complicated animal".* The response patterns of all people differ; and frequently, they are not based on rational reasoning. Leavitt further suggests that there is internal logic behind most behaviours; and most people are interdependent, and do not operate as isolated entities. Although the study of consumer behaviour always focuses on the behaviour and decision processes of individual consumers, or on those of a group/unit of consumers, such as a family unit, there are a lot of collective influences on the behaviour, such as group dynamics, family structures, cultural influences and value systems.

Consumption behaviour, therefore, is concerned with the description and justification of the behaviour of aggregates of consumers or consumer units (Britt, 1966:4). This "old" definition has some similarities to the modern definition of consumer behaviour: According to the American Marketing Association, consumer behaviour is "...*the dynamic interaction of affect and cognition, behaviour, and the environment by which human beings conduct the exchange aspects of their lives*" (Peter & Olson, 2008:5).

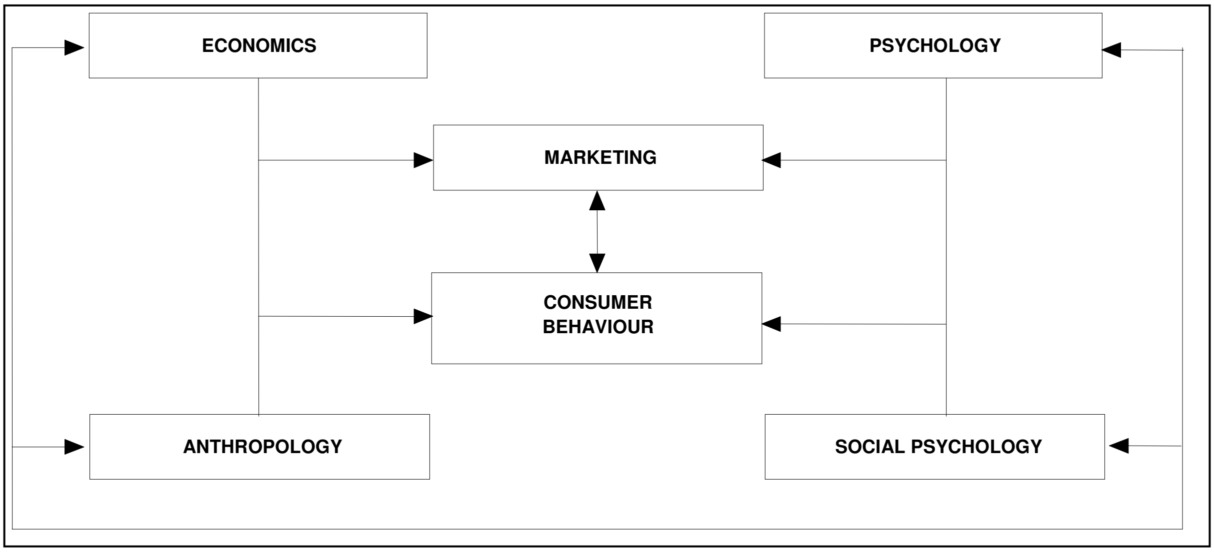
In this section, the origin of consumer behaviour will be explored; and thereafter, the interaction between consumer behaviour and various influences, such as family, lifestyle, demographics, consumption, business environment and marketing strategy will be discussed.

4.3.1 The evolution of consumer behaviour

The study of consumer behaviour is a relatively young discipline compared to other disciplines; and the earliest books on the subject only date back to the 1960s (Mowen, 1995:6; Arnould, Price & Zinkhan, 2004:14; du Plessis, 2007:4 and Babin & Harris, 2013:6).

The family roots of consumer behaviour have been traced back, and according to Arnould *et al*. (2004:16), du Plessis (2007:4) and Babin and Harris (2013:6), lie within many other disciplines that have shaped and influenced the discipline. Figure 4.1 provides an exposition on the disciplines that have led to the study and understanding of consumer behaviour.

FIGURE 4.1: CONSUMER BEHAVIOUR AND CLOSELY RELATED DISCIPLINES



Source: Babin and Harris (2013:6)

Marketing and consumer behaviour have their roots in the study of economics (Arnould *et al*., 2004:17; Babin & Harris, 2013:6; du Plessis, 2007:4). Consumer purchases form a crucial basis in most economic systems. Babin and Harris (2013:6) explain that the fact that economics concerns itself with production and consumption implies a focus on consumer behaviour – although only on the macro-level. Arnould *et al*. (2004:16) argue that macro-economics provides a better understanding of the global differences in consumption – through the various displays of consumption behaviour.

Other disciplines that have had a strong impact on the development of consumer behaviour as a science are psychology and sociology. When the demand for products and services increased after the great depression in the 1930s, a need for the understanding of the behaviour of consumers arose. The valuable contributions of psychologists, like Freud and his psychoanalytical theory – as well as other theories, such as the personality theories of Jung, Adler, Horney and Reisman – served as stepping stones in the development of the theories of consumer behaviour (du Plessis, 2007:5; Evans, Jamal & Foxall, 2006:11).

Babin and Harris (2013:7) describe psychology as "*...the study of human reactions to environments, including mental and behaviour processes*". Adding to this definition, there is the social aspect that deals with thoughts, feelings and behaviours as integral parts of the interaction between individuals. The fact that consumers often interact with other consumers in the purchase and consumption of consumer goods underlines the relevance of sociology to the study of consumer behaviour.

On a cognitive level, the mental processes of consumers in reaction to information processing are also studied; and these are relevant in understanding the resulting consumption behaviours of individuals. During the 1950s Maslow's theory of motivation – the hierarchy of psychical, emotional and social needs – showed that consumers display behaviour patterns based on these needs. This theory is used to determine motivation in buying behaviour (du Plessis, 2007:5; Evans *et al*., 2006:9).

Other areas that have developed from the psychology are: decision-making models, experiential, hedonic, and behaviour, which all influence the perspectives on consumer learning, attitude formation, and choice (Arnould *et al.,* 2004:17).

The industrial revolution, as well as the accompanying political changes, played a great part in the struggle for economic freedom, in many countries. This led to the focus on marketing activities, and ultimately, to the study of consumers. Babin and Harris (2013:7) explain marketing as comprising those actions that are involved in value-producing activities that facilitate the exchange process between buyers and sellers. These actions aim to affect consumers in such a way that they consume the products and services that the marketers promote. The link and symbiosis between marketing activities and consumer behaviour is thus implied.

Various other disciplines play their part in the study of consumer behaviour. Sociology, the study of groups of people, adds value in understanding how the consumer operates within group dynamics. Anthropology, according to The American Anthropological Association (n.d.), is *"...the science of humanity"***.** The emphasis that is placed on cross-cultural comparisons and participant-observation differentiates Anthropology from other social-science disciplines. The value that it adds allows for the interpretation of relationships between consumers and their spending patterns (Babin & Harris, 2013:8). Anthropology has contributed to the ethnographic method of market research (Arnould *et al.,* 2004:17).

During the period of the 1960s and the 1970s, great progress was made in the study of consumer behaviour; and researchers started developing original concepts in consumer behaviour, rather than adapting the concepts from other disciplines. An understanding of information processing was developed; and this was then used for research on purchasing decisions. The earliest models of consumer behaviour that were developed (by Howard, Engel and Blackwell, as well as Howard-Sheth) were later redefined to make provision for extended problem-solving situations and habitual behaviour models (du Plessis, 2007:6).
Consumerism and consumer behaviour have become disciplines on their own, and new theories and concepts are still being developed to add to this body of knowledge. This concept will be discussed next.

4.3.2 Consumption and consumer behaviour

Consumption is a function of consumer spending; and it is described as the process by which goods, services or ideas are used and transformed into value (Babin & Harris, 2013:5).

A basic model of consumption is explained by Babin and Harris (2013:5). This model starts with a basic need that is translated into a want, which is then satisfied through the process of evaluation of options and purchases. An evaluation of the process takes place; and a value is assigned to the transaction. This evaluation then feeds into a future need and want. This process is similar to the models of decision-making that is frequently found in the consumer behaviour literature (Hawkins *et al.*, 2007:511; Neal *et al.,* 2006:65; Mowen, 1995:422).

Consumption takes place because consumers recognise a discrepancy between their actual state and their desired state (Neal *et al.,* 2006:66). However, objective reality is not the driving force behind the problem recognition, but rather the consumers' perception of this actual state. Problems may include a set of objectives with an end goal and some additional sub-objectives. Ultimately, consumers would strive to achieve this end goal.

4.3.3 Consumer behavioural influence on society and business

The study of consumer behaviour is critical in the dynamic and rapidly evolving business world (Neal *et al.*, 2006:7; Schiffman & Kanuk, 2007:4). Globalisation and diversity are two of the most significant buzz words in business; and the modern world has become a global village comprising many nationalities, cultures and behaviours. Globalisation provides opportunities for interconnections across national borders on a business level. Diversity exists among consumers, producers, marketers, retailers, cultures, customs and the individual. The rationale is to identify the similarities within this context of diversity, in order to enable marketers to apply the knowledge within their business, and to be profitable (Arnould *et al.*, 2004:32).

The knowledge that is gained from studying consumers provides an important input into the business and/or marketing strategy of a company – by understanding factors, such as the psychology of how consumers think, feel, reason and make choices; also how individual consumers are influenced by factors, such as culture, family and the media; how business buyers are influenced by objectives and risks; how consumer decision-making processes differ between products and services; and lastly, how consumers can be retained as life-time customers (Babin & Harris, 2013:10; Blackwell, Miniard & Engel, 2001:8; du Plessis, 2007:6-7).

Various non-profit organisations, government, and political organisations, define their mission in terms of the satisfaction of human needs and wants (Arnould *et al.,* 2004:21). The need for understanding the dynamics of the study of consumer behaviour is further described by Arnould *et al.* (2004:21) as public-policy debates that attempt to influence government, corporate policies and consumer activities. Public policy often defends consumer rights from threats by government legislations.

Arnould *et al.* (2004:23) encourage the consumer, in a private capacity, to understand consumer behaviour; and these authors suggest that the knowledge gained from the study of consumer behaviour contributes to the responsible decision-making of consumers, as well as providing a force that can have a formative influence on society.

4.3.4 Consumer behaviour and marketing strategy

The success of any business is measured by its profitability. Thus, it is imperative that a good marketing strategy should be developed to facilitate the favourable dispensation of consumers towards the products, services, and the company as a whole. Arnould *et al.* (2004:166) state that the value that customers derive from consuming products and services can be enhanced by a good customer-oriented marketing strategy. This view is supported by Lee and Trim (2006:733).

Babin and Harris (2013:11) refer to a resource-advantage theory that helps to explain why companies succeed or fail. The general belief is that a company's success is dependent on acquiring more resources from consumers, and then using those resources to gain advantages in physical and intellectual capital. The reasons why a consumer would give up scare resources (time, money and energy) will have to be determined by consumer research. Ultimately, the reason would have to be that consumers seek value. Babin and Harris (2013:12) suggest that product characteristics and technology do not provide the value that consumers seek, but that the benefits and activities associated with the products and technologies do.

One definition for a marketing strategy can be found in Peter and Olson (2010:12), *"...the design, implementation and control of a plan to influence exchanges to achieve organisational objectives".* Arnould *et al.* (2004:165) describe marketing strategy as *"...the actions that managers take to improve the likelihood that marketplace exchanges will occur between a firm and its target markets".*

Both these definitions highlight the fact that consumer's actions need to be influenced. This influence can only take place if there is a deep insight into consumer behaviour. Hawkins *et al.* (2007:13) state that the marketing strategy, based on the marketing mix, which is also formulated with the target-customer market in mind, should provide the customers with more value than the competition, as well as striving to produce a profit for the firm. The company needs to maximise the value to the consumer by proactively anticipating and reacting to customers' needs in a way that surpasses that of the competition. This, according to Hawkins *et al.* (2007:11), is the essence of a good marketing strategy and concludes that sophisticated marketers should strive to delight and satisfy customers, and would not merely chase sales.

In the next section, various models of consumer behaviour will be discussed briefly, and with particular reference to the Hawkins and Mothersbaugh model.

4.4 MODELS OF CONSUMER BEHAVIOUR

The previous section endeavoured to explain the evolution of consumer behaviour as a theory, as well as the importance of understanding of consumer behaviour for different levels of society and business. Models of consumer behaviour have been in existence since the 1960s; and they have attempted to describe and organise the process of purchasing, in order to facilitate further research and the application of consumer behaviour. A selection of models of consumer behaviour will be discussed in this section.

The term model is defined by Schiffman and Kanuk (2007:652) as *"... a simplified representation of reality designed to show the relationship between the various elements of a system or process under investigation".* Another explanation was provided by Engel and Blackwell (1982:678), who explained that a model specifies and elaborates on the relationship between the elements inherent in the model. A model could, therefore, be seen as a 'map of reality' that will be tested for its worth by its ability to successfully predict and describe behaviour and the various influences thereon.

Using models of consumer behaviour could assist one in gaining a clearer understanding of the behaviour of buyers and consumers. The purpose of using a model for the clarification of consumers' behaviours lies in the fact that a model provides a range of appropriate variables that a researcher can use as a guide to understanding and solving problems.

A few advantages, as indicated by Engel and Blackwell (1982:677-678), are the following:

- Explanatory variables are specified: Researchers are all working, according to a specific model that entails a concept of variables that shape motivation and behaviour, whether implicitly or explicitly. It would be advantageous to use a comprehensive model for the sake of accuracy when predicting behaviours;
- Research findings can be integrated into a meaningful whole: Researchers who use a well-formulated model can accurately evaluate relevant supporting literature in the behavioural sciences;
- Evaluations are provided for performance of the system: A good model should be able to describe the functional relationships between variables; this in turn, would make more accurate predictions on behaviour;
- Avenues for fruitful research are revealed: Research using carefully designed models can easily expose gaps in the existing knowledge. This leaves the door open for future research.

The value of using a model to predict consumer behaviour, or to trace the steps in the process, whilst taking into account all possible variables and their influences on each other, is invaluable for the study of consumer behaviour and strategic planning in marketing. Pellemans (1971:21) proposes that in any ongoing research on consumer behaviour models, the interaction between theory and practice should lead to a better understanding of the buying decision-making process.

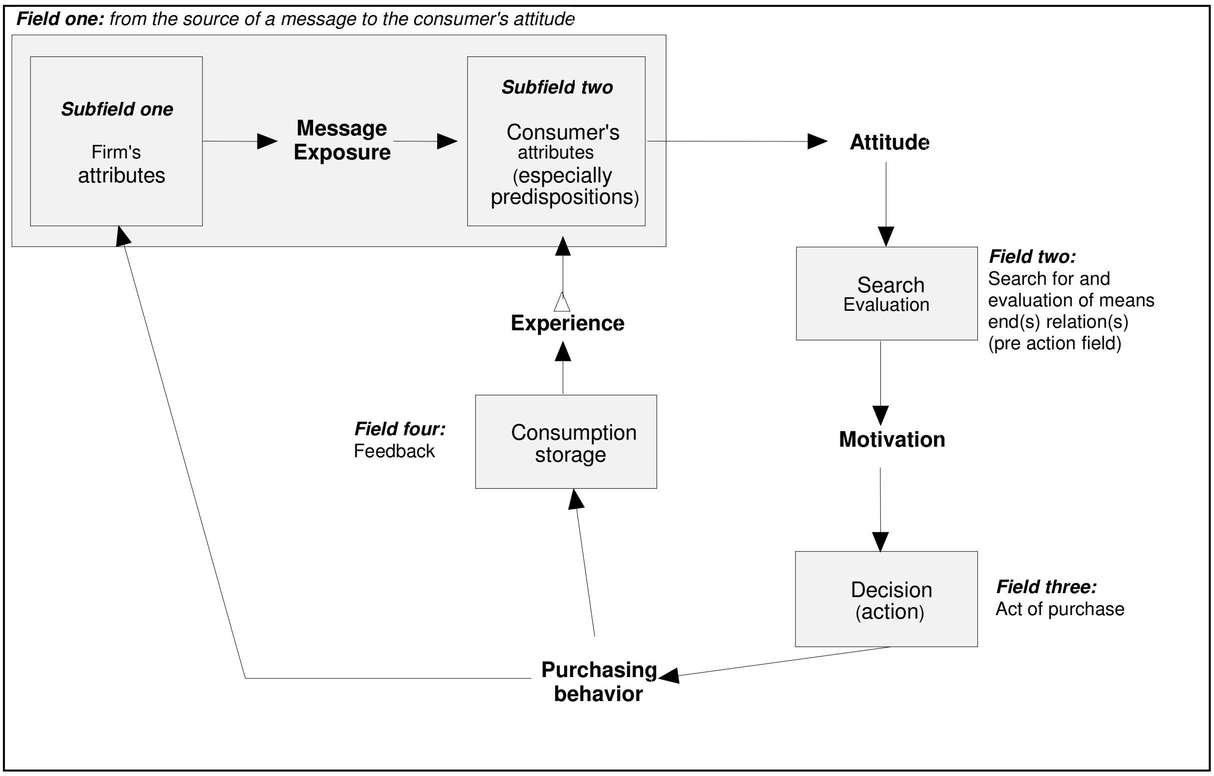
Models of consumer behaviour have evolved over the years from an input→output perspective, where economic factors were the input, and purchasing behaviour the output, to more specific stimulus→organism→response models, which specify elements that influence the internal processes of the consumer, as well as the relationship amongst them (Jacoby, 2002:51-52).

Models that will be alluded to in this section are the Nicosia model (Pellemans, 1971:9), the model by Howard and Sheth (1969), and the model that was developed by Hawkins, and Mothersbaugh (Hawkins *et al.,* 2007:26). The Hawkins model will be used as a basis for explaining the factors that influence the decision-making process later in the chapter.

4.4.1 The Nicosia Model

The Nicosia model in Figure 4.2 attempts to show the interrelationship between the attributes that a consumer possesses, the decision-making process, the marketing communication of an organisation, and also the response of the consumer to the organisation.

FIGURE 4.2: THE NICOSIA MODEL OF CONSUMER BEHAVIOUR



Source: Pellemans (1971:9)

According to Pellemans (1971:9-12), the model consists of four fields: In field one, the consumer is exposed to a message from a company where there was no previous exposure to the advertised product. In subfield one, the message containing the product's attributes and benefits reaches the consumer, and further serves as an input into subfield two, which is made up of the consumers' psychological attributes.

The message that is received will be internalised, and an attitude towards the product is formed. This attitude serves as an input into field two. If the message that was received is favourable, the consumer will actively search for and evaluate the product; if the evaluation is positive, the input into field three would be to purchase the product; alternatively, the outcome would be to reject the product.

Field four entails the consumption, the use or storage of the product; the feedback on the evaluation of the purchase is given back to the company, and the memory of the purchasing consequences is retained.

According to Runyon and Stewart (1987:701), several limitations to this model exist. The assumption that consumers have no prior knowledge or experience with the product is questionable. Secondly, the influences and interrelationships in subfield two are not clearly explained or explored. Lastly, the model does not present a clear understanding of the repetitive decisions. However, despite the lack of elaboration and empirical support for the model, the attempts to incorporate the marketing actions of the organisation make the model a favourable consideration.

4.4.2 The Howard-Sheth model

The Howard-Sheth model attempts to clarify how purchasing decisions are influenced by past history, attitudes, intentions, as well as by psychological and social influences (Farley & Ring, 1970:429). Hunt and Pappas (1972:346) added that the model provides a unique benefit by combining the variables by way of the specific developmental linkages.

The model differentiates between the three levels of decision-making, namely: extensive problem-solving, limited problem-solving and routine problem-solving (Pellemans, 1971:14).

When a consumer has little or no prior knowledge of a brand or a product category, it is assumed that extensive problem-solving would take place. The consumer is in a state of complete disequilibrium, and has to re-examine his whole choice process. According to

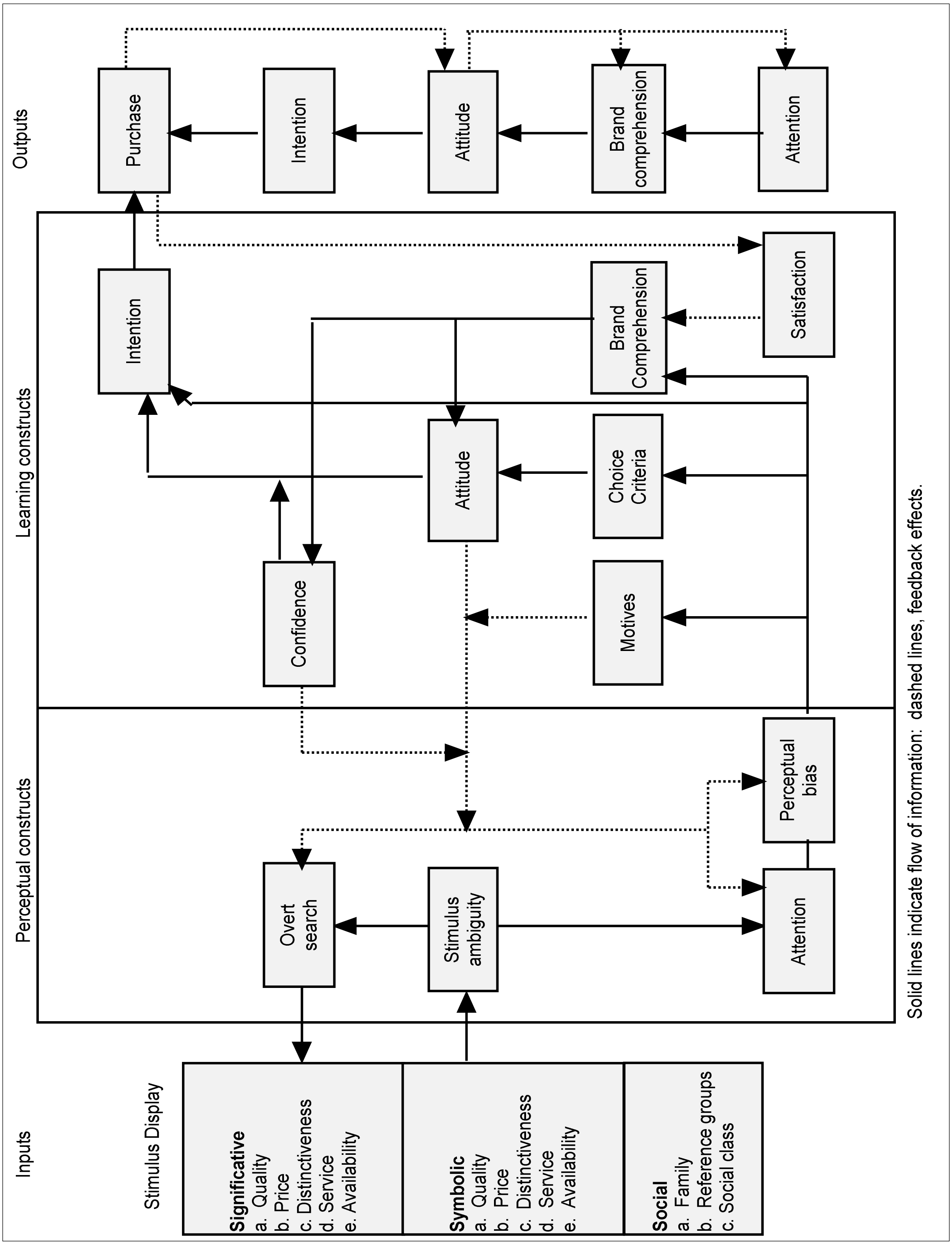
Rousseau (2007d:275), the consumer would actively seek information and undertake extensive deliberation on the purchase – or whether to purchase at all. The consumer uses choice criteria to evaluate the product class or the brand. Pellemans (1971:18) commented that consumers would choose from their evoked set, the product or brand that best fits their needs. Brand-related information can influence the intensity of the motivation in choosing a brand, but not the content of the motive.

Limited problem-solving takes place when limited knowledge and beliefs of a brand exist. The consumer would be familiar with a product class, but unsure of the various brands. The consumer must form a concept of the brand, for which he needs more information.

Routine response behaviour is a preferred equilibrium position for the buyer. The buyer has knowledge of each brand that is a choice option, and has a specific predisposition towards a particular brand. The unknown factor is the availability of the brand. This buying behaviour is usually associated with frequently purchased products, where the period between purchases is short, and there is no need to gather new information on the repeat purchase. According to Rousseau (2007d: 273), this type of buying, is also termed habitual buying.

The Howard-Sheth model in Figure 4.3 consists of four key sets of variables. These variables consist of inputs, perceptual and learning constructs, outputs and external or exogenous variables.

FIGURE 4.3: THE HOWARD-SHETH MODEL OF CONSUMER BEHAVIOUR



Source: Howard & Sheth (1969:471)

Three types of information sources make up the input variables. These consist of significant stimuli that include physical brand characteristics, symbolic stimuli – relating to verbal or visual product characteristics, and social inputs that involve the social environment – including social class, family and reference groups (Pellemans, 2002:70).

Perceptual and learning constructs together form the central element in the Howard-Sheth model. The assumption is that when a consumer is contemplating a decision, the psychological variables come into play. The perceptual construct is concerned with the function of information-processing, how the information is received, when and from whom the information is received, as well as the evaluation and classification of the information.

Learning constructs form the second part of the central element include the consumers' motives, specific and non-specific; the brand potential for the evoked set; decision mediators; predisposition towards the brands; inhibitors; and satisfaction with the purchase or the brand (Howard & Sheth, 1969:470). The distinct character of the Howard-Sheth model can be seen in the interaction between the perceptual and learning variables.

The next variables concern the outputs; and they illustrate the possible response that a consumer can have to the stimuli received. This would include actions and opinions, such as purchase, intentions, attitudes, brand comprehension and attention. External factors, or exogenous factors, are used to make adjustments for interpersonal differences. They fall within the classes of informational and demographic-socio-psychological. These variables are: the importance of the purchase, personality variables, social class, culture, organisation, time pressure and financial status (Howard & Sheth, 1969:470).

Although these variables are not depicted in the model *per se*, they should not be negated, and neither should they be valued because of their direct influence on the segmentation efforts of the marketer. These would include time pressure, personality traits, financial status and the importance of the purchase.

The value of the Howard-Sheth model lies with the characteristic, which distinguishes the model from simpler constructions – by the specification of particular developmental linkages. According to Foxall (1986:396), the consumer behaviour models of Howard, Sheth as well as the Nicosia model, assume that consumers boast considerable capacity for undertaking elaborate information searches and evaluations. These models all have the commonality of an extended decision sequence, where an individual consumer would receive information, classify, process and transform the information into attitudes and intentions, which in turn, would determine their purchase behaviours.

Furthermore, the choice by a consumer is understood to be an ego-involving sequence of cognitive, affective and cognitive changes. The consumer who has to make a decision is assumed to use evaluative criteria to predict the outcome of all possible options, in line with his or her objectives.

The next section will discuss the model of consumer behaviour proposed by Hawkins and Mothersbaugh. This model will serve as a point of reference for the remainder of the chapter.

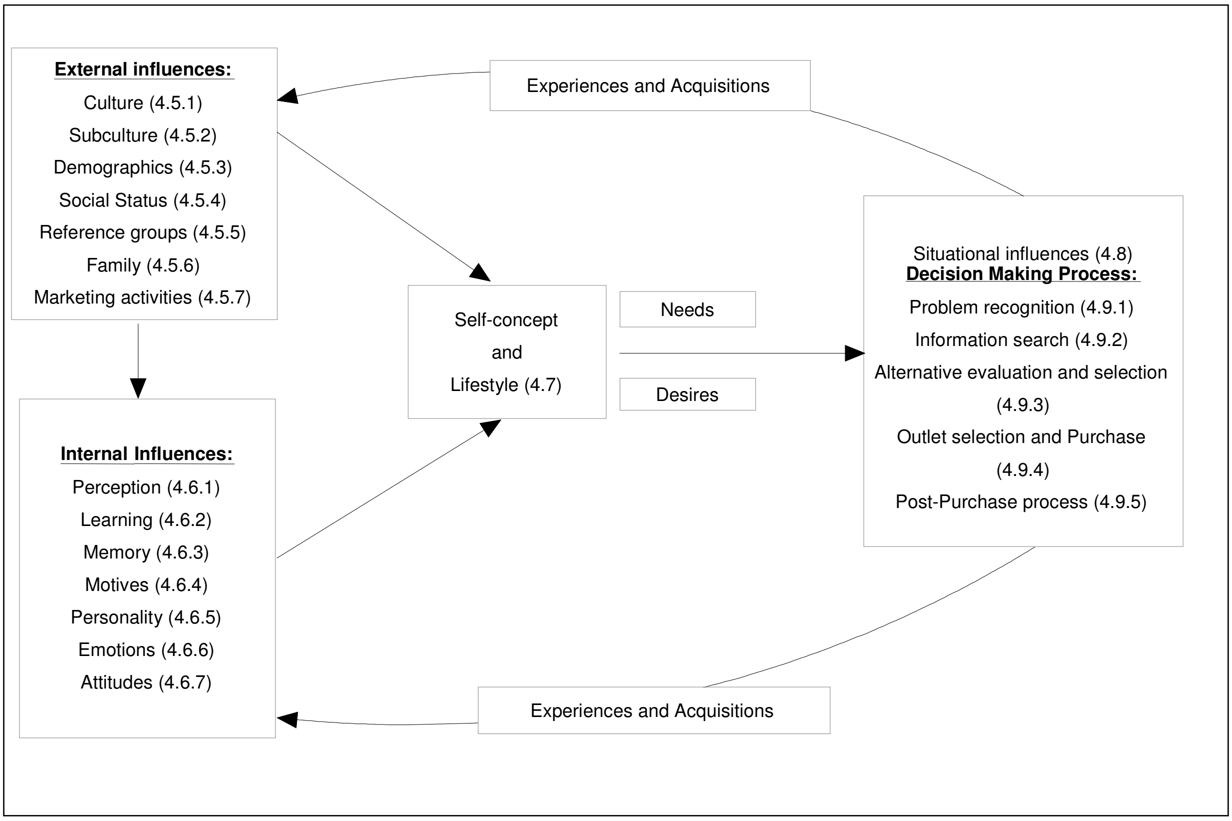
4.4.3 The Hawkins and Mothersbaugh model

The model developed by Hawkins and Mothersbaugh (2013:26), as depicted in Figure 4.4, is a conceptual model that does not predict specific consumer behaviours, but reflects beliefs about the general nature of consumer behaviour. The model proposes that consumers have a view of themselves (a self-concept) and that this concept would translate into a particular lifestyle that is shaped by the available resources. The model indicates the major sources of influence that marketing managers should understand when they develop marketing strategies.

The circle of influences in the model is explained as follows. External influences, mainly sociological and demographic influences, as well as any internal influences, consisting of psychological and physical influences, help the consumer to develop self-concepts and lifestyles, which in turn, produce needs and desires, which would lead to the consumption of the product, in order to satisfy the consumer's needs.

As individuals encounter relevant situations, the consumer decision process is activated. This need for consumption activates the decision-making process, whereby consumers experience and acquire products and services, which in turn, lead to internal and external influences that affect the self-concept and the lifestyle. The self-concept is the view that one has of oneself. The lifestyle is determined by the manner in which we consume products.

FIGURE 4.4: THE HAWKINS AND MOTHERSBAUGH MODEL OF CONSUMER BEHAVIOUR



Source: Hawkins and Mothersbaugh (2013:3)

Consumers are constantly evolving and changing, as they process new information related to their lifestyle and the outcome of their past purchase decisions. The basic principle of the consumer behaviour process is the assumption that the information processing is a continuous activity (Neal *et al.*, 2006:26).

Figure 4.4 will serve as a visual guide for the discussion in the rest of the chapter. The discussion will correspond with the sections indicated in the figure. The factors that influence a consumer's experience have a direct impact on the final decision-making outcome. Those influences will now be discussed and examined for clarity.

4.5 EXTERNAL INFLUENCES

The external influences, as described in the model of Hawkins and Mothersbaugh, include culture, subculture, demographics, social status, reference groups, family and marketing activities. The structure moves from large-scale macro-influences, like culture, to smaller micro-influences, like family. These factors all have a particular perspective and influence on the behaviour of consumers.

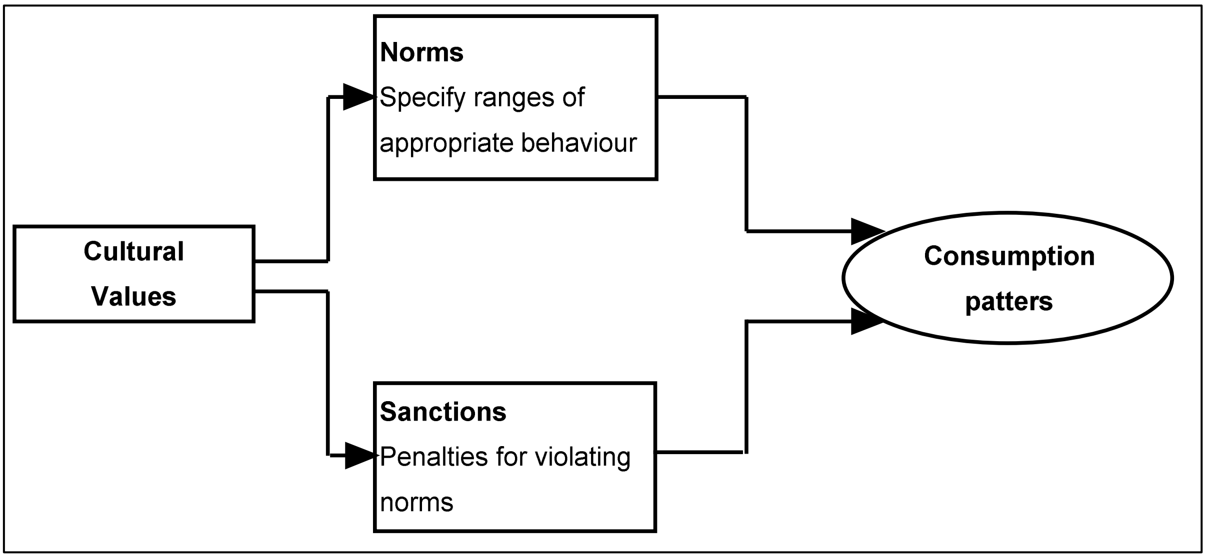
4.5.1 Culture

Culture, from a consumer behavioural perspective, implies shared values, ideas, knowledge, morals, customs, artefacts, and other meaningful symbols that connect groups of people (Hawkins *et al.*, 2007:42; Neal *et al.*, 2006:524; Peter & Olson, 2010:280). Berman and Evans (2013:207) describe culture as *"...a distinctive heritage shared by a group of people that passes on a series of beliefs, norms and customs".* These beliefs, norms and customs are transmitted from one generation to the next by members of that society *via* language and symbols.

Each society establishes its own vision of the world and constructs meanings that represent important cultural distinctions. These meanings and vision have a persuasive influence on consumers (Peter & Olson, 2010:280). The comprehensiveness of culture as a concept includes everything that influences an individual's thought processes and behaviours. This influence does not concern biological drives – but rather if, how and when these drives will be gratified. Consumers would assign cultural meanings to the products they consume.

In Figure 4.5, the cultural values, norms and sanctions' influence on consumer behaviour are indicated. Culture sets limits or rules on behaviour that specify or prohibit behaviour in certain situations; these are called norms. These norms are derived from widely held beliefs, and are an affirmation of desirable behaviour that collectively is called cultural values (Hawkins *et al.,* 2007:43). Non-compliance with these norms results in penalties, or sanctions, that can be as severe as banishment from a group, or as mild as mere social disapproval.

FIGURE 4.5: VALUES, NORMS, SANCTIONS AND CONSUMPTION PATTERNS



Source: **Hawkins *et al.* (2007:43)**

Schiffman and Kanuk (2007:406) stated that culture can be regarded as the personality of a society; and this culture also includes the beliefs and values in the equation. Consumers would mentally or verbally make statements reflecting their knowledge and assessment of products or services. These statements would relate to their beliefs. These beliefs are usually shared, and are dynamic in nature. Values are similar to beliefs; but they are more difficult to change, and are not tied to specific situations and objects. Values are widely accepted by the members of a society; and they offer a guideline for appropriate behaviour in that culture.

From these cultural values, norms are derived. In agreement with Figure 4.5, Neal *et al.* (2006:525) explain that conformity to norms within a culture is a given; and rewards are accrued when a child is learning a new culture – also called socialisation – or when a person is learning a new culture; this is called acculturation. People are not always aware of these cultural norms; and frequently, people tend to obey these norms merely because this 'feels right'. Culture is evolving slowly over time, although there may be instances of rapid changes, when new technology is introduced, or conflict exists between the existing values, or when people are exposed to other newer cultures.

Ozcaglar-Toulouse, Beji-Becheur, Fosse-Gomez, Herbert and Zoughi (2009:60), have indicated that Hirschman (1981) was one of the first researchers to highlight the differences between subcultures and specifically their different ways of searching for and transmitting information during the purchase decision process. Özcaglar-Toulouse *et al.* (2009:58) also refer to the fact that there is an increased interest among marketers to launch products and services to meet the needs and expectations of ethnic minorities. O'Guinn and Faber (in Özcaglar-Toulouse *et al.*, 2009) point to significant differences in the importance of the attributes of durable goods for Anglo-Saxons and Hispanics.

Herch and Balasubramanian (1994) state that consumers from different ethnic backgrounds exhibit different shopping motivations. This was also discussed and explored in a study by Laroche, Saad, Kim and Browne (2000). In studying teenagers' shopping behaviour in a shopping centre, by ethnicity, Kim and Kim (2005:73,74) found that white teenagers are more likely to go to shopping centres for having meals or snacks than were non-white teens. Compared to white teenagers, non-white African Americans and Hispanic Americans teenagers are "…more likely to do mall shopping for hedonic needs such as sensory seeking and social experiences outside the home".

Jin and Sternquist (2004) examined construct equivalence in a cross-culture study and tested the relationship of positive and negative price cues with hedonic shopping value. The results, *inter alia*, indicate that price/quality schema for both American and Korean consumers did not relate to hedonic shopping values.

A study in India indicated that men use shopping centres for social interaction more than woman. This is mainly because the women in India lead a restricted family life. Men meet and socialise in the shopping centres where the neat and air-conditioned environments provide an escape from the chaos and heat (Khare, 2011:113). This is another indication of how culture can influence preconceived gender stereotyping.

The emergence of a strong economic vibrant black middleclass in South Africa is evident when the spending patrons of the so called 'black diamonds' is considered. According to Lyster (2006) the uniqueness of South Africa's cultural diversity lies in the culmination of influences from the East, the West and Africa combined. He continues to explain that researchers are of the opinion that South Africa is one of the most culture rich countries in the world, with 11 official languages and many different population groups. According to Petzer and de Meyer (2013:384) one of the most important common value systems within the South African culture includes the importance of family. African cultures tend to be more relationship-oriented, as opposed to European cultures, which are more task-oriented. This unique 'African culture' is termed Afrocentric, which implies the collective will; and 'ubuntu' is a term that advocates the following: *"I am because you are; you are because we are*".

Dreyer and Schreuder (1996) described Afrocentricity as "…*being a good member of the community, and living and enjoying life, rather than acquiring material wealth. It is essentially about people accepting their destinies, rather than having obsessions to control them. A sense of belonging, group recognition, acceptance by peers, and accountability to the community, are [considered] more important than individual success and profit".*

However, even this form of culture has undergone a major shift with the growing wealth of the black middle class. According to du Plessis (2007:49), the political changes in South Africa since 1994 have given the black consumer a more ambitious outlook on life. Black consumers are also moving away from the traditional conservative disposition towards that of the self-motivated consumer, with a need for self-improvement and education. This is a major shift that marketers need to research and adapt to – if they want to tap into this lucrative market.

According to Schiffman and Kanuk (2007:410), language and symbols are important features that can tie people together, and provide a common understanding within in a culture. Symbols can consist of verbal and non-verbal symbols, like trademarks and product design. These symbols can assist a consumer in making informed decisions (Schiffman & Kanuk, 2007:411).

A further type of activity that is defined by Schiffman and Kanuk (2007:411), and relates to culture, is rituals. A ritual consists of a repeated symbolic activity that comprises a series of steps followed in a fixed sequence. An example of a ritual in South Africa's black culture would be the Labola system, when a man has to pay for his bride's value, by offering cattle or the money equivalent of a mutually agreed on number of cattle. Other strong elements that define many cultures within the South African context are myths and superstitions. Myths or folklore are stories that contain symbolic elements; and these are carried over from generation to generation.

The black middleclass constitutes only approximately 9% of the total South African population; but it contributes more than 28% of the total spent on consumer products (Maponga, 2008). Van Loggerenberg and Herbst (2010:110) argue that this buoyant market is not being recognised and explored (or exploited) by marketers, as it should be. There seems to be a lack of in-depth and qualitative knowledge on the various behaviours in this market. The focus of this study is based on this fast-growing and emerging black market in South Africa.

South Africa can be classified as a developing country, where changes in lifestyles and values are an ongoing process. Although there is a big outcry for a more united nation, one cultural tradition only will no longer be an option; and South Africans should rather strive for cultural synergy between the various cultural groups (Rousseau, 2007a:47).

It is clear from this discussion, that culture plays a crucial role in consumer behaviour, and should not be discarded by marketers. The next section will examine the influence of sub-cultures and cross-cultures.

4.5.2 Sub-cultures

Within any culture, a sub-culture can exist that comprises a particular segment within a larger, multi-part society. Schiffman and Kanuk (2007:440) argue that a sub-culture consists of members with shared customs, values and beliefs that differentiate themselves from other members within the same society, while they are still subscribing to the cultural values, beliefs and behavioural patterns of the greater society. Sub-cultures are formed by groups with unique values and patterns of behaviour, based on a social history, as well as the current situation of the group (Hawkins *et al.,* 2007:158).

Most of the foundation for describing sub-cultures can be based on ethnic groups, religion, as well as geographical regions, but only if these differences also subscribe to a distinctly different behaviour pattern (Neal *et al.,* 2006:389). In that sense, most people form part of more than one sub-culture. In most cases, added to some unique behaviour, sub-cultures share many behaviours of the dominant culture.

Other sub-cultures can be identified, based on their geographical location and regional identification. These differences in sub-cultures, based on location, can have an influence on the need-recognition and purchase-behaviours of consumers. A study conducted by Khare (2011:118) investigated the behaviour of consumers in small towns in India, and explains this concept of geographical location quite clearly. The study concluded that there was a definite resistance to shopping centres in the small towns where the consumers were set in their shopping habits, and thus did not believe the shopping centres would satisfy their needs – as opposed to those consumers in the big cities that saw the advantages of shopping centres.

Age sub-cultures also exist, as consumers move through their life-cycles. According to Mowen (1995:740), marketers need to conduct trend analyses of age groups, to enable them to recognise potential marketing opportunities in advance. A shopping centre, for example, should cater for the needs of small children, by providing games arcades, or even baby-sitting facilities. The teenage youth would enjoy all the other entertainment facilities, like movie theatres and ice-rinks, while the elderly would appreciate sufficient seating/resting areas, enough rest rooms and elevators (Neal *et al.*, 2006:391-392).

Marketers often refer to certain age groups as baby boomers (born between 1946 and 1960), generation X (born between 1965 and 1976), and generation Y (born between 1977 and 1994). Marketers believe that opportunities within each of these groups are different, and that the consumption patterns specifically with regard to media usage are also different. Younger consumers, mainly the generation Y and younger, are generally more in tune with technology Neal *et al.* (2006:391-392). Shopping centres could for example use social media such as Facebook and Twitter to reach this group.

Gender can also be a characteristic that constitutes a sub-culture. It is well-documented that men and woman differ in attitudes, activities and character (Hoyer & MacInnis, 1997:361). Most cultures expect men and woman to conform to expected behaviour patterns within their learned cultures. The consumption patterns of different sexes differ significantly, according to Hoyer and MacInnis (1997:363). Many researchers are using gender to differentiate between the choices and behaviours of consumers. According to Neal *et al.* (2006:397), males have different needs and expectations in terms of retail outlets. Neal *et al.* (2006:397) refer to research that indicates that men hate crowding and prefer to shop at those hours, when the stores are less crowded. Shopping centres that recognise the needs of the male shopper would engage in more promotional strategies – in order to attract male shoppers or could re-look their store hours.

Nationality is often viewed as a sub-culture, when members of a group base some of their beliefs on the norms of the national groups (Neal *et al.,* 2006:390). Examples of this are the South African shops that are selling typical South African products, like Marmite, Biltong and Mrs Balls' chutney in England, Australia and New Zealand. Consumers also base some of their beliefs about products based on the country of origin. Belgian chocolates or Swiss knives are considered to be the best; and Japanese cars are considered by some to be the most reliable (Evans *et al.,* 2006:209).

Sub-cultures can also be based on income, status groups, occupation and education. These sub-cultures will not be discussed here, as they are not relevant to this study.

The marketing communication to these different sub-cultural groups is tailor-made to suit the particular needs of the market (Rousseau, 2007a:53). Cultural values are not easily changed and could endure for many generations. Marketers should rather embrace these core-cultural values and not try to influence or change them.

4.5.2.1 The middle class black consumer

Race and ethnic groups form definite sub-cultures within a larger culture. In the South African context, the sub-culture of the African middleclass, called the 'Black Diamonds' form part of the greater cultures that exist within the South African society. This sub-culture shares the following characteristics: African or black; together with an average income of R7 000 pm; earning a salary; employed in suitable occupations; well-educated; acquiring their own homes; creditworthy; and they have aspirations and confidence in the future (van Loggerenberg & Herbst, 2010:108).

In 2004, 1.6 million black people were part of the middle class comprising five million people. In 2012 this number skyrocketed to 4.2 million – a 240% growth in the middle class segment with the average personal disposable income of the black middle class standing at R8 191 and household income standing at R22 634 (Radebe, 2013).

Since 2004, disposable household income has increased by 35% for the black middle class, while white household disposable income grew by 10%, although the former is off a lower base. The spending power of the white middle class is estimated at R380 billion.

According to Simpson, in a study conducted by the Unilever Institute, (in Moodley, 2007:41; Lyster, 2006) the affluent black market is not homogeneous, and can be segmented into four super-segments:

- <u>'Mzansi youth'</u>: This group consists of the 18-25 age group who are the lowest spenders at R7bn. These are mainly students that reside with their parents and have very low personal income. They are very optimistic, are physically fit and lead active and busy lives. They make up 18% of the Black Diamond group. They still reside mostly in townships because they feel less restricted than living in suburbs.

- ‘Start–me–ups’: The new entrants to the work scene, who control R37bn makes up 21% of the Black Diamond group. Almost 85% of them are still single and almost all of them are employed in white collar jobs. Many has a drivers licence although they do not own their own cars. They are characterised by their tendency to have “fun” and enjoy socialising.

- ‘Young families’: Individuals who spend R49bn a year, but on limited products that support the family; this group make up 22% of the black Diamond group. These are new and sometimes single parents and are aged between 25 and 34 years. Their education level is often less than that of the established group. Two thirds of this group is females.

- ‘Establisheds’: 39% of the black diamond market; a market of those who command the largest cash pile at R87bn. The segment consists of people who are wealthy, educated, employed and stable. Mostly aged between 35 and 49 years the majority has been married for more than 7 years and 81% have school-going children. The group consists of equal male and female individuals.

A study by Meltzer (in Radebe, 2013) confirms that the black South African middle class is also younger, compared with much older white middle class. The respondents in Meltzer’s study defined middle class as having a car, being able to pay off debt, having disposable income, living in the suburbs, shopping at shopping centres, sending children to good schools (private or ex-model C schools) , access to the internet, financial stability and having DStv (Radebe, 2013).

A recent interdisciplinary study by researchers from the economics and political science departments at the University of Stellenbosch found that the income gap between race groups is the lowest it has ever been. They however caution that the ‘middle class’ label was only weakly connected with traditional philosophy of what it means to be middle class.

The researchers furthermore found a weak correlation between self-identification as middle class and income, assets and occupation. No evidence was found of a distinct set of so-called middle class values akin to better work ethic or placing higher value on savings or education. Research in Latin America confirms this (Anon, 2013b).

The next section will briefly examine the demographic variables that can influence consumer behaviour; and it will pay special attention to the South African situation.

4.5.3 Demographics

Demographics are concerned with population – in terms of size, distribution and structure – and they are widely used as a segmentation variable (Hawkins *et al.*, 2007:116; Neal *et al.*, 2006:381). Population figures are used in economic forecasts, as well as for the predictions of retail growth. This section provides an overview of the demographics within a South African context.

The population in South Africa consists of a multi-racial society of highly diverse ethnic groups and cultures. Adding to this, the population is highly dispersed into rural, sub-rural and urban areas. The distribution of the population is an important factor, and one that has led to the retail landscape, as it stands today. In South Africa, urbanisation and migration have had the largest effect on Gauteng and the Western Cape, where there is a net increase in migration figures, as opposed to the other provinces, where there has been a decrease or outflow (Prinsloo, 2010a:132).

A large part of this migration has been caused by a growing black middle class. These so-called 'black diamonds' comprise a fast-growing sub-culture of about three million black South Africans – with a spending power of R237 billion (van Loggerenberg & Herbst, 2010:108).

Wealth distribution is an important factor that should be considered when seeking to understand the complexity of the South African population. The latest population figures (2011 census) indicate that the overall population in South Africa stands at 51,8 million people split into: 79,2% black African; 8,9% mixed race; 8,9% white; and 2,5% Asian (Statistics SA).

The income in all population groups has more than doubled during the last five years; and this has created a huge growth in the black middle class. This is seen to be one of the most significant marketing trends in the past 10 years in South Africa (van Aardt, 2011:24). The structure of the population can best be explained in terms of LSM groups. LSM is a framework that was developed by the South African Advertising Research Foundation. The scale is used for indicating the socio-economic status of individuals and households. According to Haupt (2012), it is important to realise that although people are very diverse, they do have certain commonalities. The LSM is a means of market segmentation, by creating an index, in order to group people with similar behaviour together, and to tell apart people who have different behaviour patterns.

The premise is that the market should be classified in terms of homogeneous groups, based on criteria, such as urbanisation, as well as ownership of assets. In essence, the LSM is a wealth measure based on the standard of living – and not just on income, occupation or education (Haupt, 2012). The poorest consumers would fall under LSM group 1; and the richest would fall under LSM group 10.

As many as 59,3% of South African consumers fall within the LSM1-5 groups. Haupt (2012) warns marketers that LSM cannot be used in isolation when segmenting the market for a particular product, but should be used combined with descriptors, such as language, income, life-stage, or any other variable.

Migration is mainly taking place in the LSM 1 to 5 groups; and it is placing pressure on the supply of basic amenities and the infrastructure in urban areas (van Aardt, 2011:24). South Africa is almost 60% urbanised (Prinsloo, 2010a:132). During the years since 1994, the middle groups falling into LSMs 4-6, as well as the LSMs 7-10, high end of the market, have shown rapid growth. This clearly indicates a growing potential for retail in South Africa (Prinsloo, 2010a:136).

An important demographic in any study is age and gender. The traditional roles of males and females has an influence on the shopping behaviour of consumers as found by studies conducted by Hu and Jasper (2004). The main differences are usually found in shopping motivation and enjoyment. The distinct differences in the shopping pattern of different age groups warrant investigation. According to Bakewell and Mitchell (2003:95), younger consumers are likely to have different shopping styles than older shoppers. An example would be that young females are more recreational shoppers than older females.

The rise of neighbourhood shopping centres is a direct effect of the changes in lifestyle. To keep abreast with the changing needs of consumers, new retail formats are constantly being developed. The biggest impact can, however, be seen in the type of tenants, the layout, as well as the design of a shopping centre (Prinsloo, 2010a:139). Lifestyle segmentation uses a socio-economic scale to objectively classify the population. This type of segmentation provides a good socio-economic profile picture of the consumer for the marketer to act on.

4.5.4 <u>Social status</u>

A social class is a system that divides and ranks society into relatively distinct and homogeneous groups with regard to attitudes, values and lifestyles (Hawkins *et al.,* 2007:135; Neal *et al.,* 2006:491).

Socio-economic differences have an influence on the behaviour of consumers in the products they prefer, the outlets they frequent, and the company they keep. The societal rank is determined by a person's position, judged on a few dimensions in society relevant to other people's positions. These dimensions can relate to one's occupation and education, possessions, income, or one's background (Hawkins *et al.*, 2007:135). As indicated by Hawkins, the variables used to classify social status closely resemble the demographic variables. Social stratification does not explain all consumer behaviour; but it is rather relevant to some product categories.

The norms and behaviours of one social class can have an influence on those of another class. This theory is called the trickle-down effect (Hoyer & MacInnis, 1997:328). Trends that start in a specific social class could be followed by a lower class. This is a theory that explains aspiration shoppers. In an interview conducted with Fourie (Strategic and Creative Director of Purple Plumm Brand Communications on 15 May 2011) she mentioned that many black shoppers are aspiration shoppers and would visit a shopping centre, like Menlyn in Pretoria, simply because they want to be seen as visiting an affluent centre. The attempts by such consumers to obtain recognition and status cannot easily be factored into any marketing plan.

According to Hoyer and MacInnis (1997:329), occupation and education comprise the two most important determinants of social class. Individuals that share similar occupations often share similar buying behaviours. Education is the key that determines occupation, and ultimately social class. The relationship between social class and occupation would also differ between different countries. In a developing country, where education is not accessible to all citizens, highly qualified occupations have a higher social standing.

Possessions can also play a role in determining the social status of individuals. These possessions are also called status symbols. Brand names of luxury items, such as cars, watches and furniture are just as important as clothing labels. A person's self-worth is often determined by what s/he possesses. The value of possessions determines a person's sense of self-worth and social standing. Social classes prevalent within a market are important, since the members of these groups can exhibit unique behaviour that is exclusive to the group.

Group influences will be examined in the following section.

4.5.5 <u>Reference-group influences</u>

A group, according to Hawkins *et al.* (2007:228), comprises two or more individuals that have a defined, interdependent relationship based on a shared set of norms, values, or beliefs. Schiffman and Kanuk (2007:323) define reference groups as "...*any person or* *group that serves as a point of comparison (or reference) for an individual in forming either general or specific values, attitudes or behaviours".*

A reference group is used by a consumer as a measure against their values and goals (Neal *et al.,* 2006:22). A reference group can be instrumental in the forming of beliefs, attitudes and behaviours. According to Rousseau (2007a:68), a reference group can also be aspirational, where the consumer strives – through his behaviour and purchases – to become part of a group. Groups can be classified according to certain criteria, namely: membership, strength of social ties, degree of contact, and attraction (Hawkins *et al.,* 2007:228; Neal *et al.,* 2006:451).

The degree of contact would determine whether the group is a primary or secondary group. In a primary group, the influence on behaviour is much stronger because of the personal nature and unrestricted face-to-face interactions between group members. An example of a primary group would be a family, where shared beliefs and behaviours within the group are evident. A secondary group has more sporadic face-to-face interactions, and would have a more formal character. Examples are professional associations, churches and clubs. The attraction of a group can have a negative or positive effect on the behaviour of a consumer. If a consumer shows a negative inclination towards a particular group, he will avoid excessive associative behaviour towards that group. This is then called a dissociative reference group.

In most cases where a reference group has a strong influence on a consumer, the consumer would largely conform to the behaviour that the group expects of him (Neal *et al.,* 2006:542). Conformity to the group depends on the commitment that an individual feels towards the group. If an individual consumer lacks confidence and knowledge in the purchase decision, he would rely heavily on the reference group for information and guidance in his purchase decision (Neal *et al.,* 2006:546-7).

Peter and Olson (2010:384) point out that a reference group is not necessarily linked to cultures, sub-cultures or social class, but could be formed across these perceived boundaries. Consumers would seek advice from experts – even though they might not belong to the same cultural group or social class. The degree of influence that a reference group can exert would differ, according to the situation. When a product or brand is visible to the group, the group influence would be strong, but as the usefulness of the product decreases, so would the reference group's influence decrease. Schiffman and Kanuk (2007:327) highlight three distinct factors concerning reference groups that could influence consumer behaviour. The first is the individual's attitude towards the group with regard to the information and experiences that he possesses. The better the information and experience that the individual has had with products and services, the less likely it is that he would be influenced by the group. Secondly, the higher a reference groups' credibility, attractiveness and power are, the more likely it is that an individual could be influenced by the group. Lastly, the degree of visibility of a product, either explicit or implicit, would determine the possible authority of a reference group.

More conspicuous products would most probably be status-linked, like clothing, furniture and cars; and the opinions of other would be sought out and considered. A first-year shy student would most probably aspire to a group of senior students and purchase similar clothing, electronic equipment and other items.

The role of family members and the composition of a family on consumer behaviour will now be considered.

4.5.6 <u>Family</u>

Many products are bought and consumed by a family unit. Schiffman and Kanuk (2007:346) define family as *"...two or more persons related by blood, or adoption, who reside together*". Hawkins *et al.* (2007:196) agree with this definition; but they call it a family household; and they add that members can also become a family by way of marriage.

Family units have many different formats in a modern society. Hawkins *et al.* (2007:196-197) refer to non-family households: those living alone, or with people to whom they are not related. Another unique family unit is the blended family; this is when a couple live together with children that might have been born from previous unions. It is clear that in the modern society, the number of traditional households or family has declined. New formats – with couples living together, with or without children – as well as same-sex couples are usually not classified by census as a family; but they have consumption patterns that resemble those of traditional families (Hawkins *et al.*, 2007:199; Neal *et al.*, 2006:422).

From a marketing perspective, the term family has to be used very loosely. It might be better for the purpose of the study to rather refer to households. In a South African context, many black consumers do not follow the route of a western legal marriage, as they would first have to pay lobola (dowry); and therefore, the traditional definition of a family would no longer apply.

Families visiting a shopping centre can decide to frequent a centre that caters for the needs of most members of the family. The mother can do her grocery or clothing shopping. The husband/father can shop for outdoor equipment, or sports equipment; while the teenagers/children can visit the centre to engage in social activities, or to enjoy entertainment.

Family members adopt roles within the family or household that leads to decision-making. Family decisions often allow different members to be involved in the decision at different times, and in different ways. The family decision-making process needs to be understood by marketers and analysed within each of their company's target markets. Hawkins *et al.* (2007:215) maintain that marketers needs to understand the motivations and interests of each member of the family, and to understand which family members are involved at each stage of the decision-making process.

Marketing strategies should be developed that would meet the needs of each member in their different roles.

Marketing activities cut across all the external influences. The next section will address a few key areas, where a combination of external influences and marketing activities are used to influence the behaviour of consumers.

4.5.7 Marketing activities

Marketing activities, such as advertising, promotions, personal selling and branding all influence the behaviour of consumers, to some extent and was explained in detail in Chapter 3. These external factors are controlled largely by the marketing department or marketing company that manages promotional activities relating to the shopping centre.

One of the key factors relates to the degree in which marketing strategies can be standardised across cultures. According to Hawkins *et al.* (2007:69), most companies would use a combination of standardisation and customisation to create the optimal marketing activities. In South Africa, with the wide variety of languages and ethnic groups, a combination of languages, adages and even people from various groups, are used in combination – when marketing messages are developed.

Demographics constitute another factor that influences consumer behaviour, and as such should be considered in marketing activities. Education, income levels and age structures influence personal values, lifestyles and decision styles (Neal *et al.*, 2006:388). The databases of customers, as well as an understanding of the demographics of consumers in the catchment area of the shopping centre, would provide marketers with information that could be useful to customise marketing communication to consumers.

Marketers use reference-group influences to formulate advertising and personal selling strategies (Neal *et al.*, 2006:457). Conforming to the opinions of others is stronger when a close relationship exists between two consumers, or when peer-pressure is exerted. Advertising to the youth often makes use of punishment or rewards for conforming to the usage of products. This practice is controversial, and often regulated by advertising standards.

Marketers can use social stratification in their marketing messages to influence consumer behaviour (Hawkins *et al.*, 2007:146). This practice in South Africa appeals to the aspirational nature of groups in the lower LSM categories.

The next section will concentrate on the internal influences that would shape a consumer's decisions and actions.

4.6 INTERNAL INFLUENCES

The discussion of internal influences begins with perception, followed by learning, memory, motives, personality, emotions, and lastly attitudes. These influences are internally driven and often influenced by external factors. The interaction between internal and external influences leads to the forming of a self-concept and lifestyle choice.

4.6.1 <u>Perception</u>

A perception is formed when a consumer interprets and pays attention to marketing stimuli. This perception is usually consistent with consumers' expectations (Rousseau 2007b:159). Consumers tend to make their buying decisions, based on their expectation, and what they perceive to be reality. An expectation could, therefore, according to Rousseau (2007b:159), be defined as a belief about how a product or service would perform. This expectation is based on learning and a concept of reality, and can sometimes be completely unrealistic.

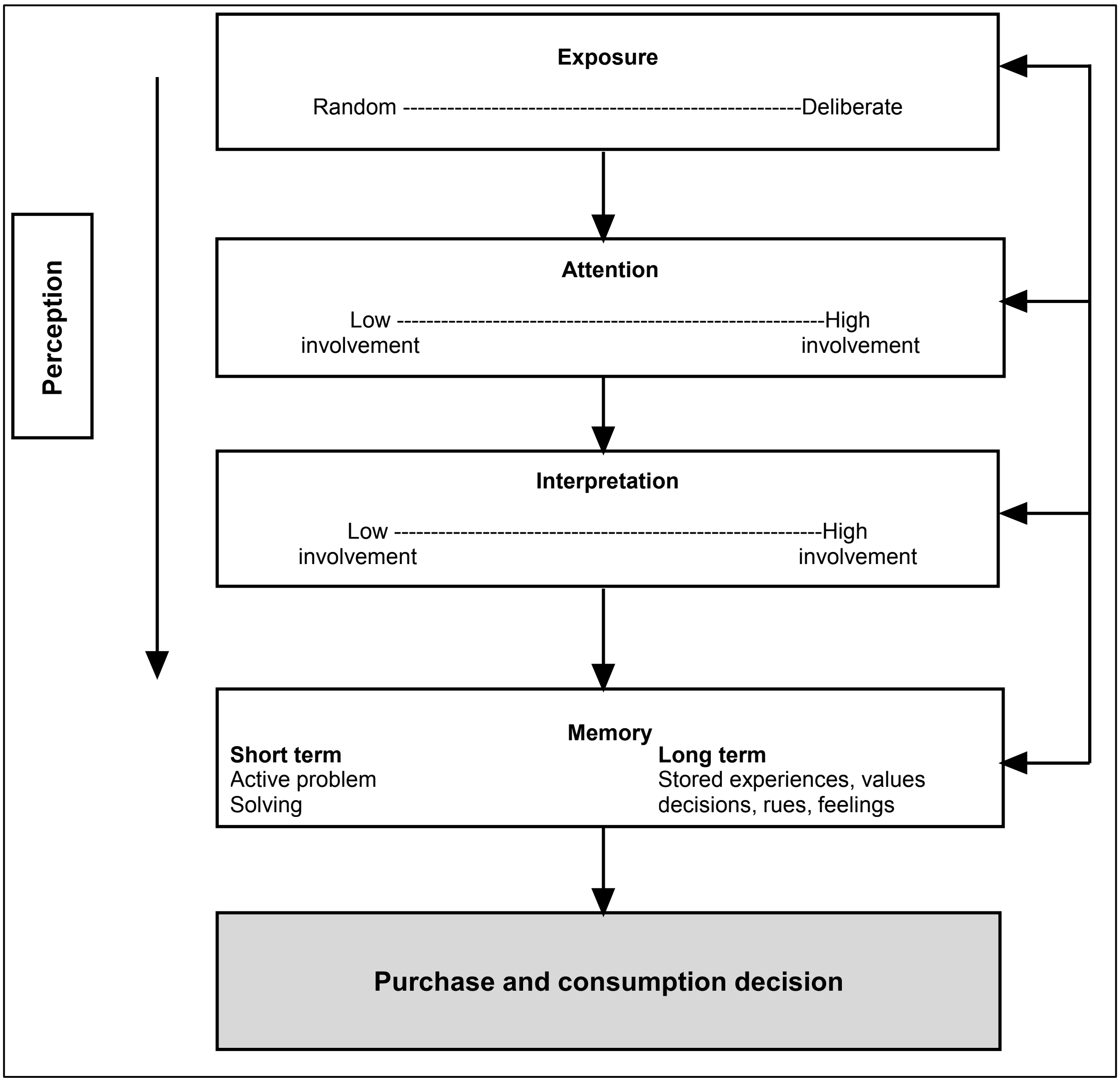
Perception can be registered through any of a consumer's five senses: vision, hearing, taste, smell and touch. According to Hoyer and MacInnis (1997:76), the intensity of the stimulus that imposes on our sensory receptors is simplified by our perceptional thresholds. Consumers do not receive stimuli in isolation. Stimuli that are received are organised and integrated in context with other stimuli – through perceptual organisation – to form information.

The growing black middle class - is estimated to comprise over 2 million adults. This 10% of black South Africa contributes 43% of total black buying power and 22% of total buying power (van Aardt, 2011). The rise of the black middleclass in South Africa since the abolishment of apartheid has resulted in a lucrative consumer market. Since 1991 when the Group Areas act were scraped, residential integration has taken place at various levels across South Africa. The move of some members of the black middleclass into former white suburbs acted as a symbol of increased social status (Donaldson, Mehlomakhulu, Darkey, Dyssel & Siyongwana (2013:114). According to Donaldson *et al.* (2013:114) the term black middle class involves a complicated political and social foundation, but it can be explained and defined in terms of their relatively higher income (earning more than the gap-housing category total of R12,000 per month) that allows them to consume goods and services previously unaffordable for them. Furthermore, Simpson (2008) (in Donaldson *et al.*, 2013) posits that this group is also better qualified and their skills are affording them more white-collar professional employment.

It should be considered that the perceptions of this black middleclass have also changed over the last 20 years as well as their information processing. Previous to 1994 very few black consumers bought traditional 'white' products and therefore no or very little pre-conceived ideas or knowledge on many products and services existed. This is also not a heterogeneous market and marketers cannot afford to view this market superficially and develop stereotypical images (Petzer & de Meyer, 2013).

Figure 4.6 shows that information processing involves four steps, namely: exposure, attention, interpretation and memory (Hawkins *et al.,* 2007:283; Neal *et al.,* 2006:229).

FIGURE 4.6: INFORMATION PROCESSING FOR CONSUMER DECISION-MAKING



Source: Hawkins *et al*. (2007:282)

Although Figure 4.6 indicates a linear flow from exposure to memory, the processes are interactive and occur almost concurrently. Consumers, however, have perceptual defences. This implies that they would not be passive recipients of marketing messages, but would selectively choose what to perceive, and what to store within their memories.

4.6.1.1 Exposure as an element of information processing

When a stimulus, a marketing message, or some other information, enters a person's immediate environment and sensory receptor nerves, this is called exposure (Hawkins *et al.,* 2007:283; Neal *et al.,* 2006:229). This only provides an opportunity for attention to the stimulus, but this is not necessarily guaranteed. Consumers tend to favour information that would help them in achieving their goals. A consumer would be exposed to certain stimuli if they could gain information to satisfy a certain need or to achieve a certain goal. The goals or needs can be a function of a desired lifestyle, or they could be as short-term as basic need-satisfaction.

Exposure can take place selectively when a person chooses to avoid exposure. A person not visiting a particular area or shopping centre would not be exposed to the shopping experience, which that area or shopping centre provides. According to Hawkins *et al.* (2007:285), voluntary expose occurs when a person chooses to receive certain marketing messages with regard to products or services. If a person agrees to go on a mailing list, or joins a Facebook group of a particular shopping centre, that person would constantly receive marketing stimuli from that environment.

4.6.1.2 Attention as an element of information processing

Although consumers are constantly exposed to various stimuli, they can still choose to pay attention to certain stimuli and store that information. Attention to a stimulus takes place when a consumer allocates a part of their cognitive resources to the stimulus (Hoyer & MacInnis, 1997:61). Attention would, therefore, according to Hawkins *et al.* (2007:287) and Neal *et al.* (2006:231), only take place once a stimulus activates one or more receptor nerves, and the subsequent feelings go to the brain for processing. Mental resources are needed for the processing to take place. Attention displays certain characteristics; the first is selectivity: consumers can choose the information they want to pay attention to.

Attention is also capable of being divided; a consumer can pay attention to more than one task at a particular time. The last characteristic of attention is that attention is limited; if a consumer is bombarded with too many conflicting messages, they cannot pay the necessary attention and retain the information.

A stimulus consists of various physical characteristics, called stimulus factors. These factors include: the size and intensity of the stimulus, the colour and movement of the stimulus, as well as the placement of the object within a person's visual field (Neal *et al.,* 2006:232). Most of these factors are evident in the field of marketing communication, in particular advertising. If a person is exposed to advertising of a particular shopping centre, the attention that one would pay to the advertisement would be influenced by the creative factors that are used in the advertisement. However, it is not usually the advertisement that draws a person to a particular shopping centre, but rather the experience of visiting the centre.

The degree of interest that an individual has towards a particular stimulus would determine the level of attention that is paid to that particular stimulus. A consumer would pay attention to special offers, if the consumer was in the market for those products. This also relates to individual factors, like motivation, which is, according to Hawkins *et al.* (2007:294), *"...a drive state created by interests and needs".* Overall lifestyle and goals can also spark interest. The involvement or interest in a product can be temporary or enduring; but it always motivates attention.

4.6.1.3 Interpretation as an element of information processing

The stimulus received must be placed in context and assigned meaning. A combination of the individual, the situation, as well as the characteristics of the stimulus, is used to form a pattern that is both factual (cognitive) and emotional (affective) (Neal *et al.,* 2006:238).

Individuals interpret stimuli consistently with their expectations (Neal *et al.,* 2006:241). Interpretation can sometimes be subjective and open to a multitude of psychosomatic biases. According to Hawkins *et al.* (2007:297), a distinction should be made between the *semantic* meaning and the *psychological* meaning assigned to a message. Semantic linguistics can relate back to the real meaning of a word, while psychological meaning exists only in the mind of the consumer. Affective interpretation takes place when a consumer assigns meaning to the emotional feelings that an advertisement can trigger. Shopping centres that show the family having an enjoyable time in the centre would appeal to the consumer who would like to have this feeling or 'moment'. Most advertisements would trigger an emotional, as well as a cognitive response.

Shopping centres often use sidewalk sales to draw the consumer to the centre. The word 'sale' evokes certain emotions; and it also has a semantic and a psychological meaning assigned to it.

4.6.1.4 Memory as an element of information processing

Memory is triggered by internal experiences, like an image, or recalling a conversation (Arnould *et al.,* 2004:356). After being exposed to an experience that is internalised by attention and perception, the experience is stored in the brain as a memory. The memory can relate to a sensory perception, which is an unconscious act of storing information that a consumer came across, or it can be a conscious memory, when attention is paid and the information is stored in the short-term or the long-term memory. When information about a purchase is needed, a consumer will call up the stored memory to use in decision-making. A consumer who has browsed through certain retailers within a shopping centre might recall where he saw a product if he recognises a need for that product.

The influence of memory on purchasing behaviour will be discussed in more detail after exploring how learning takes place.

4.6.2 Learning

Consumer behaviour is largely based on the premise of learning; and this can be influenced by culture, family, friends, advertising and the mass media. According to Hawkins *et al.* (2007:322), learning is "*...any change in the content or organisation of long-term memory or behaviour, and is the result of information processing".* The outcome of learning is essentially purchase-and-use behaviour. Learning can take place under high or low involvement. Consumers can also learn from description; this includes listening to, observing, and remembering what they can from indirect sources.

Repetitive advertising utilises incidental learning, where consumers learn by default (Arnould *et al.,* 2004:351). When the same message is repeated often enough a person may subconsciously remember the message, the jingle or a catch phrase without paying attention to the message.

Various theories of learning are used in research on consumer behaviour. Two of the most popular are the classical-conditioning theory and the operant-conditioning theory (Arnould *et al.,* 2004:353; Rousseau, 2007c:186). The Russian physiologist Pavlov used the theory of classical conditioning in his experiments with dogs. A neutral object is used and combined with a meaningful object (conditioned stimulus) to produce a response similar to that originally elicited by the unconditioned stimulus. Marketers similarly associate products and services with positive images and symbols, in order to evoke a positive reaction from consumers.

This concept is evident in branding strategies, where family branding, brand extensions and licensing are used. Criticism of this theory relates to the passive role that consumers play. This assumes that the consumer will react in a predictable way.

Operant conditioning, also called instrumental conditioning, is based on learning from past experiences. Arnould *et al.* (2004:335) state that the rewards and punishment for behaviours would shape the future behaviour of consumers. This theory differs from the classical conditioning theory, based on the role and the timing of the reinforcement. Marketers use the theory to relate previous rewards obtained from using the product to future purchasing behaviour and repeat purchases.

Operant conditioning can, however, also be negative. If the impression of the product is unfavourable, the probability of any future repurchase would definitely be reduced. Advertisements often use the fact that companies have been in existence for some time as a reminder to consumers that they know and trust the company, and therefore, should continue to support the company and its products.

After learning has taken place, the information and the sensations are stored in the memory.

4.6.3 Memory

Knowledge can be stored in such a way that it forms structures within the memory. According to Peter and Olson (2010:55), associative networks are formed by our cognitive systems to link and organise the many types of knowledge together. Two types of memory are in play: short-term memory (STM) and long-term memory (LTM). Short-term memory is also called working memory, because it is the memory that is in use, while analysis and interpretation takes place. The STM must constantly be refreshed by using maintenance rehearsal (Hawkins *et al.,* 2007:323). This implies that information should continuously be repeated, in order to be used in short-term problem-solving, or to be stored for future use in the LTM.

The STM can only hold between five and nine items, or bits, of information. A bit could be a related set of items. Information that was in 'memory storage', like experiences, values, attitudes, beliefs and feelings, are then combined with new information to interpret and make buying decisions. Hawkins *et al.* (2007:325) argue that concepts, abstractions of reality that place meaning on an item in terms of other concepts, and imagery are used to assign meaning to information in the decision-making process.

Numerous pieces of information can be stored in the LTM on a permanent basis. The basic knowledge and feelings that a consumer has about a concept are called semantic memory. This memory is knowledge without a link to where or when the information was obtained. Many iconic products, as well as products that a consumer has been brought up with, have always been in the consumer's memory; and these are stored in the semantic memory. Marketers are also interested in a memory called episodic memory. This relates to a series of events with which consumers were involved, and are linked to the time and place, where the memory was created (Arnould *et al.*, 2004:361).

Using a brand to relate to such memories could help the consumer to associate positive feelings towards the brand (Hawkins *et al.,* 2007:325). Consumers, and in particular cultures, can relate to certain products because they form part of their 'history'. Marketers of shopping centres can market new retail companies in the shopping centre by linking the name of the centre to the retail outlet, thereby reminding the consumer of the type of service and quality they can expect, as well as the pleasurable experiences that they had in the past.

Consumers structure their LTM into schemas: a pattern of links or associations to a concept. This schema can be linked to product characteristics, usage situations, episodes, as well as reactions. The usage situation, to which a brand attaches itself, can have a strong influence on the evoked set, when consumers retrieve information of the brand from their LTM. Sometimes a memory can be recalled, and then altered to suit a new situation. Consumers are generally driven by an energizing force called motivation. This, coupled with personality and emotions, are key factors that could influence consumer decisions, as well as marketing strategies (Hawkins *et al.,* 2007:325).

4.6.4 Motives

Hoyer and MacInnis (1997:30) describe motivation as an inner force that drives a consumer towards a goal-relevant action. This action could be decision-making, information-processing or purchase behaviour. According to Neal *et al.* (2006:299), motivation can provide purpose and direction to decisions made by consumers. Hawkins *et al.* (2007:364) describe motivation as the reason for certain behaviour; while Rousseau (2007b:166) argues that motivation is a driving force that is shaped by a state of tension.

This tension can only be relieved by consciously and subconsciously seeking the redemption of unsatisfied needs. People always strive for a balance between desired needs and deprivation. This state of tension that exists is called homeostasis, where a person would constantly attempt to reach equilibrium (Evans *et al.,* 2006:4).

Maslow's theory on the needs hierarchy is a well-known starting point for marketers to provide some explanation on motivation and human behaviour, and then to segment the markets, according to their needs. Maslow proposes that a hierarchy of needs exists, where the needs on one level should be at least partially satisfied before a person can be motivated by the need from a higher level. The lowest-order needs relate to basic psychological needs. Once these needs are satisfied, more advanced needs manifest themselves. These advanced needs relate to psychogenic requirements, such as social acceptance and self- esteem. Cognitive needs follow on level-five of the hierarchy. This relates to knowing and understanding different issues, followed by a need for aesthetics and creativity. The highest-order needs relate to self-actualisation, where an individual would spend all his/her talent and capability into consequential activities that could build on the personality of the individual (Evans *et al.*, 2006:8).

Maslow's theory reiterates the fact that motives change over time, as consumer needs change. Marketers should strive to identify needs that are salient within different market segments. Shopping motives can be identified through research. Evans *et al.,* (2006:18) mention that these motives include: self-gratification, social shopping, status and authority, value-shopping, and affiliation. Social shopping is becoming a huge trend. According to Sit *et al.* (2003:91), social shoppers or entertainment shoppers perceive shopping to be a leisure activity; and they would visit the shopping centre for the purpose of socialising, meeting people and dining.

The next section will examine personality as an internal determinant of consumer behaviour.

4.6.5 Personality

Evans *et al.* (2006:135) describe personality as *"...the capacity of a person for popularity, friendliness or charisma*". Hoyer and MacInnis (1997:424) provide a more comprehensive definition in explaining that *"personality is the consistent response to environmental stimuli; and [it] refers to distinct patterns of behaviour, tendencies, qualities or personal dispositions that make one individual different from another*". The internal characteristic with which a person is born, or that results from the way in which a person was raised, affects the patterns of behaviour.

Various approaches to studying personalities exist. One of these theories, the trait theory, proposes that a personality is made up of characteristics that differentiate individuals; and these can define the type of personality behaviour. Following the trait approach, consumer-related research identifies those specific personality traits that explain the differences in buying, using, and the dispositional behaviour of consumers. According to Hawkins *et al.* (2007:378), the trait theories are mostly used for segmentation and communication purposes, as well as to facilitate an understanding of bargaining, complaining behaviour, and obsessive shopping.

According to Hoyer and MacInnis (1997:426), the relationship between personality and consumer behaviour cannot be clearly defined and explained. This is mainly due to the fact that many of the instruments that are used to measure personality traits were developed for the purpose of identifying personality disorders – and not for the social sciences. However, the personality traits that were identified by researchers have proven useful in segmenting and describing different consumers.

A brand can also attain a personality. This brand personality is made up of a set of human characteristics that become associated with a brand (Hawkins *et al.,* 2007:380; Neal *et al.,* 2006:314). These personality characteristics influence the purchase behaviour of consumers, and become evident over the lifetime of a brand. Customers assign personalities to brands, based on their interactions: both direct and indirect – with the brand.

The personality assigned to a brand by its consumers can be related back to the marketing of the brand via advertising styles, product features and attributes, brand names and logos; and it can create certain expectations about the performance and benefits of products and services. According to Evans *et al.* (2006:138), if marketers want to dictate the personality assigned to a brand, they need to make sure the brand is perceived to be doing things actively. This entails the use of animations and storytelling in advertising.

Advertising, as well as experiences with products, often evoke emotions or feelings about the purchase, the product, the service or the brand. The next section will share some thoughts on the emotions.

4.6.6 Emotions

Emotion could be described as relatively strong uncontrollable feelings that affect a consumer's behaviour (Hawkins *et al*., 2007:381). A more formal definition is offered by Arnould *et al.* (2004:341) *"...a combination of a mental evaluation process with responses to that process that result in a body state and additional mental processes".*

Arnould *et al.* (2004:341) maintain that emotion and cognitions cannot be separated. Experiences with products evoke emotions through the psychical and cognitive interactions. Hawkins *et al.* (2007:383) expand this view, and link emotions to needs, personality and motivation. Needs that are not met could create a motivation that triggers a negative emotion. Positive emotions are associated with needs that are fulfilled. According to Hawkins *et al.* (2007:382), the personality trait known as *affect intensity*, implies that some individuals are more prone to emotions than others. The higher the affect intensity of a consumer, the stronger the emotions that she/he will experience. Emotions are prompted by environmental events, such as viewing an advertisement, or using a product, or by way of internal processes, such as imagery.

Neal *et al.* (2006:319) state that emotion is often used in advertising, by adding emotion-evoking content, such as music or images, in order to enhance the attention-attraction and attention-maintenance capacity. A feeling of 'warmth' can be experienced when watching an advertisement with puppies or babies. When a consumer is repeatedly exposed to a positive-emotion advertisement, the concurrent brand preference will be strengthened. Emotions can influence our attitudes towards a product, service, shopping centre, or a brand.

4.6.7 Attitudes

The attitude of consumers towards products, services and brands has always been a curious case for marketers; and this issue is constantly being debated. Marketers and brand managers are constantly attempting to gauge the attitudes of consumers towards brands and products, or they are trying to change and influence the attitude towards brands and products. In general, the favourable or unfavourable feelings towards a product or brand would be called *attitude*. A formal definition of attitude is: *"...a learned disposition to respond in a consistently favourable or unfavourable manner with respect to a given object, subject, idea or behaviour"* (Rousseau, 2007c:194).

According to Hawkins *et al.* (2007:396), attitudes can serve four basic functions for an individual:

- Knowledge function: The perception of knowledge about a product or brand will manifest itself as an attitude, and influence purchase behaviour; for example, in the case of a shopping centre that would refer directly to the marketing of the shopping centre as a brand.
- Value-expressive function: An individual's self–concept and individual central values are expressed by supporting products and services that are in line with the attitudes formed. If consumers value nature conservation, a shopping centre that supports the cause of saving the Rhino would receive a positive attitude from the consumers.
- Utilitarian function: People would prefer to use products and services from which they gain a reward, as opposed to forming a negative attitude towards products that they perceive as being unrewarding. Shopping centres offer reward programmes for frequent shoppers.
- Ego-defensive function: This happens when a person shields his/her ego and self-image against pressure and weakness – by consuming or buying certain products or brands. If a shopping centre is branded as an up-market centre, and a place where the discerning consumer should be 'seen', it would be favoured by a consumer with a need for social status.

Marketing strategies, in general, have the intention of influencing a consumer's attitude towards a brand or product. According to Peter and Olson (2010:134), attitudes can be used to measure the success of the strategies; and such attitudes can be achieved through attitude-tracking studies. The SCATTR study conducted by *Wong et al.* (2001), as well as the studies by Bellenger *et al.* (1977); Frasquet *et al.* (2001); Sit *et al.* (2003); North and Kotze (2004); El-Adly (2007); Hart *et al.* (2007); Ganesh *et al.* (2007), all measure attitudes towards shopping centre attributes or shopping centre attractiveness factors of some form.

Consumers process and integrate information about a brand or product through a process that forms attitudes towards these brands or products. During this process, information is extracted from knowledge, and meanings, as well as beliefs. The beliefs may come from interpretation processes, or they may be activated from memory. Only a few beliefs are activated and consciously considered simultaneously, due to the fact that a person's cognitive capacity is limited. These beliefs are called *salient beliefs*.

A study conducted by Kim, Kang and Kim (2005:998) identified recreational shoppers, who enjoy shopping as a leisure-time activity, and convenience or economic shoppers who shop in such a way as to save money whenever they spend. These motives relate to the attitudes that are formed when a shopper enters the shopping centre.

Ultimately, all the internal, as well as the external factors come together in the minds of a consumer and influence his/her self-concept and lifestyle.

4.7 SELF-CONCEPT AND LIFESTYLE

All the external and internal factors work together to influence one's self-concept and – ultimately the lifestyle that a consumer lives.

Hawkins *et al.* (2007:434) define self-concept as "...*the totality of the individual's thoughts and feelings having reference to himself or herself as an object".* The attitude that one holds of oneself relates to one's self-image. The self-concept is often linked to culture.

According to Peter and Olson (2010:299), people are influenced by this culturally inspired self-concept regarding how they interact and relate to other people.

Hawkins *et al*. (2007:435) declare that the self-concept can be divided into two groups: the independent self-concept and the interdependent self-concept. This also refers to a consumer's separateness and connectedness. Personal goals, achievements, ideals, desires and characteristics form part of the independent self-concept; and they relate to a person that is individualistic, autonomous, self-reliant and self-contained.

The South African culture of *Ubuntu* relates more to the interdependent self-concept, where the connectedness of people is emphasised through family culture and social relationships. This self-concept often refers to people that are socio-centric, holistic, law-abiding and conformist, as well as connected. Consumers feed their self-concept by the products and services that they consume, as well as the products and services that they choose to avoid. This implies that consumers would prefer to buy brands that suit their self-concepts.

Self-concept impacts on the lifestyle that a consumer chooses to live. A lifestyle is *"...the expression of the individual's situation, life experiences, values, attitudes and expectations"*. Simply put, this determines *"...how the individual lives*" (Neal *et al.* 2006:398). Lifestyle is influences by demographics, social class, motives, personality, emotions, values, household life-cycle, culture and past experiences. A consumer's lifestyle culminates in his/her activities, interests, likes and dislikes, attitudes, consumption, expectations and feelings; and it would have an impact on purchases and consumption (Neal *et al.* 2006:398).

The next section will explore and discuss the decision-making process that leads to the acquisition and consumption of products and services.

4.8 SITUATIONAL INFLUENCES

As explained by Hawkins *et al*. (2007:484), each purchase decision and consumption process takes place within the context of a specific situation. During the initial phases of the decision-making process, a clear understanding of the specific situation that a consumer is in, must be ascertained. This would relate to the situation in which expenditure occurs, the way that a situation could influence the expenditure behaviour, as well as the characteristics of the situation, and any situation-based marketing strategies.

Situational influences on consumer behaviour relate to the factors that are particular to a time and place and have a demonstrable and systematic effect on current behaviour. Consumers do not respond to marketing strategies and promotional strategies in isolation. The consumption of the messages takes place in an environment, or a situation, which has an influence on the process of internalisation.

Hawkins *et al.* (2007:484), define situational influence as "... *all those factors particular to a time and place that do not follow from a knowledge of the stable attributes of the consumer, and the stimulus and that has an effect on [the] current behaviour*".

Normally, a situation would stand apart from the consumer and the stimulus. The only exception to this would be the case where a temporary situation or stimulus exists, that is exclusive to a situation, and might occasionally even be caused by it. An example of this would be time-pressure. Consumers often visit a shopping centre because of time constraints. In a shopping centre, they would find all the different shops under one roof – and that would save time. Marketing strategies can focus on this benefit of shopping centres.

The situations in which consumer behaviour occurs may be classified, according to Hawkins *et al.* (2007:484), into four general categories, namely: the marketing communication situation, the purchase situation, the usage situation, and the disposition situation. The above situations can be defined by using a number of dimensions, which determine each situation's influence on consumer behaviour.

4.8.1 Situational characteristics

According to Hawkins *et al.* (2007:488), these characteristics play a major role in shopping environments. However, the studies that Hawkins *et al.* (2007:488) have based their research on were all conducted amongst typical American consumers; no allowance was made for other cultures. The situational characteristics mentioned were: physical surroundings, social surroundings, temporal perspectives, task definition and antecedent states.

The nature and importance of ambient factors or atmospherics was discussed in Chapter 3 (section 3.2.4.2). In a shopping centre context, the physical surroundings play a major role in the atmosphere and ambience of the centre. The atmosphere or internal environment of a shopping centre would significantly affect a shopper's mood; and that would, in turn, determine the willingness to visit the centre, and to linger in the centre. These factors include: decor, sounds, aromas, the configuration of the merchandise, as well as the layout (Berman & Evans, 2001:604; Hawkins *et al.,* 2007:488).

Atmospherics, according to Neal *et al.* (2006:168), comprise the process whereby managers can create specific mood responses in shoppers by manipulating the physical retail environment. Many studies, amongst others those of Wong *et al.* (2001) and Wakefield and Baker (1998) were conducted to determine the role that atmospherics and retail image play on the shopping habits of consumers. Kotler (1973) described atmospherics as the designing of stimuli in a retail environment, in order to produce specific emotional effects, which lead to a desirable behavioural response.

Kotler (1973) argues that some aspects associated with the atmosphere of a shopping centre would have different effects on different customers under different circumstances. The factors that relate to the store atmosphere include the ambient factors, the physical layout, the social conditions, as well as the symbols used. Most of these factors are under the direct control of the marketer. Other studies conducted by researchers, such as Wong *et al.* (2001); Sit *et al.* (2003) and Wakefield and

Baker (1998), all found the importance of atmospherics and physical surroundings to be critical, because they provide those environmental cues to consumers that relate to the quality of the centre.

Psychical characteristics can sometimes have a negative impact on the enjoyment of a shopping experience if they are not managed correctly. The social surrounding characteristics relate to the actions of consumers, and how this can be influenced by other people, consumers and the salespeople around them. The social conditions in a shopping environment cannot be controlled by the marketers; but they can – to a certain extent – be managed. Social influences have a significant influence on the actions of consumers, as shown in the research conducted by d'Astous (2000); Wakefield and Baker (1998); and Eroglu, Machleit and Barr (2005) where retail crowding and unruly children in a shopping centre were identified as shopping irritants. Other negative influences that were identified included the negative actions of sales people, or unqualified sales people. Crowding is one of those factors where marketers and centre managers need to be sensitive to cross-cultural differences, since personal space and the perceptions of crowding may differ according to culture (Arnold *et al.,* 2005; Machleit, Eroglu & Mantel, 2000; d'Astous, 2000).

To address the crowing issues, the marketer may introduce longer shopping hours, or special offers during the quiet times, in order to avoid overcrowding at other times. The proper training of sales people, and the marketing strategies that deal with crowding issues are needed – in order to keep consumers in the centre – and to ensure repeat visits.

Shopping is highly visible; and therefore, according to Hawkins *et al.* (2007:492), the consumption of a particular brand could be subject to social influences. The brand, being the shopping centre, would imply that to visit a particular shopping centre would be subject to the social acceptance of such a centre within a sphere of influence. This entails that a consumer would prefer to visit a centre that is also visited by their reference group or by opinion leaders.

In a study by Zhuang, Tsang, Zhou, Li and Nicholls (2006:35), it was found that if shoppers are accompanied by other shoppers (companions), they would usually have a greater likelihood of buying food products, and a reduced likelihood of buying other non-food products. Furthermore, the research determined that companions do have a influence on other buying behavioural patterns by offering advice that could determine whether a consumer would buy or not.

Time is a situational influence that can influence a consumer's choice of store, as well as his/her behaviour within that store. This is known as the *temporal perspective*. Hawkins *et al.* (2007:493) mooted that the general tendency is that there would be almost no time spent on an information search, when time is limited. Kim and Kim (2008:9) determined that the effects of time pressure on shoppers can have a moderating effect. Chebat *et al.* (2005:1590), propose that one of the objectives of a shopping centre is to provide synergy in term of the proximity of the stores that would lead to time and cost savings. Zhuang *et al*. (2006:35) determined that the more time consumers spend in a shopping centre, the more likely it would be that they engage in unplanned or impulse shopping.

The reasons for visiting a centre or a store will be influenced by the task definition; this implies whether one is buying for oneself, or gift-shopping for others. The shopping strategies or purchase criteria for each situation will be different. Differentiation, based on hedonic, or pleasurable shopping motives or utilitarian, task-oriented, shopping motives can be observed. Miranda (2009:128) made the following statement: "*The consumers' urge for hedonic satisfaction, and at the same time the emerging trait of asserting their distinctiveness in an environment of abundance of sameness, makes it compelling for marketers to make demonstrable efforts to keep consumers agreeably occupied".*

The mood or momentary condition in which a consumer finds himself/herself when shopping plays an important role in the shopping behaviour. This temporary feature of a person's character is also known as the *antecedent state* (Hawkins *et al.,* 2007:495). Moods are general feelings that are not associated with any specific event or object. A consumer's mood, however, can have a significant influence on attitude, purchase decisions and behaviour. Marketers should strive to put consumers in good moods (Hoyer

& MacInnis, 1997:151). Momentary conditions relate to when a consumer is in a temporary state of being ill, tired, having extra money, and other similar states.
Hawkins *et al.* (2007:496) maintain that consumers would deal with these momentary conditions, as they would with moods, by purchasing or consuming products and services. Consumers who are tired might consume more coffee or Red Bull energy drinks. A person who is cash-strapped might visit a pawn shop to obtain extra cash.

As relevant situations present itself to consumers, a process of consumer decision making is stimulated. Internal and external characteristics of consumers are influenced by their lifestyle and self-concept through their attainment and experiences as well as the consumer decision making process. All the above situational characteristics have an influence on consumers' purchasing behaviour, and can be addressed by the correct marketing strategies. By predicting the shopping centres that will be visited during each of these situations, the marketer can develop appropriate advertising and positioning strategies.

The problems that consumers face every day will lead to decision-making, and ultimately consumption or purchase behaviour.

4.9 THE DECISION-MAKING PROCESS

Consumer behaviour as a discipline, as well as the different models of consumer behaviour were discussed earlier in this chapter. The rationale for discussing these models was to acquire a clear understanding of the theories of consumer behaviour, and how these theories, as well as the internal and external factors impact and influence the consumer's purchase decisions.

This section will focus on the consumer decision-making process, as identified in Figure 4.4, by discussing the different types of decision-making processes, as well as the different stages of, and influences on, the decision-making process. This study will focus on the situational analysis, problem recognition, information search, alternative evaluation and selection, outlet selection and purchase, and the processes that the post-purchase evaluation follows. The selection of the outlet is of particular importance for this study; and various different perspectives will be investigated.

Decisions can be a laborious event, where an individual carefully evaluates a set of products, brands or services; or it can be a subconscious effort. In some cases, more often than not, however, consumers would focus on feelings and emotions associated with the product or associated with acquiring the product, brand or service.

According to Hawkins *et al.* (2007:510), purchase involvement is defined as *"...the level of concern for, or interest in, the purchase process triggered by the need to consider a particular purchase."* Rousseau (2007d:262) describes buying situations as choice options that take place within a given context. This context is influenced by past product experiences and future expectations. Marketing managers can influence buying decisions; but they cannot force a consumer to make particular choices.

The final purchase decision is an individual decision made by the consumers themselves. The consumer's level of involvement in the decision-making process would be determined by the nature of the decision-making. The lowest level of involvement is evident in habitual decision-making, or nominal decision-making (Hawkins *et al.,* 2007:484; Neal *et al.,* 2006:64).

The second type is limited decision-making, which lies somewhere between extensive and habitual decision-making. Limited and easy-to-come-by information is required. The last type is extended decision-making, when consumers have no prior knowledge of the brands or product categories, an extended decision-making process would be followed. The level of involvement in making this type of decisions is very high.

After the information search, a complex evaluation process is followed, when all the alternative options are appraised; and after the purchase, a post-purchase evaluation would be made.

After the levels of decision-making are understood, we need to also understand the situation within which the purchase is made.

4.9.1 Problem recognition

Consumption takes place because consumers recognise a discrepancy between their actual state and their desired state (Neal *et al.,* 2006:66; Schiffman & Kanuk, 2007:567). However, objective reality is not the driving force behind the problem recognition, but rather the consumer's perception of this actual state. According to Neal *et al.* (2006:68), consumers may differ in their desire to resolve certain problems. This difference is based on two important factors. The first is the degree of difference between the desired and the actual state. The second is the relative significance of the problem. Problems or needs may include a set of objectives with an end-goal and some sub-objectives (Peter & Olson, 2010:167). Ultimately, consumers would strive to achieve this end-goal.

During problem identification, uncontrollable factors may be present that would influence either the desired or the actual state. These factors are similar to the factors that would normally influence a consumer's lifestyle; and they could include: culture, reference group, finances, and emotions, past purchase behaviour, as well as individual situations. Often marketers try to stimulate problem recognition by attempting to create a new ideal state, or to create dissatisfaction with the actual state (Hoyer & MacInnis, 1997:193). A marketer would, for example, imply that the latest cell phone model is preferable and focus on the unique features that it has.

Marketers should constantly adapt the marketing mix of an organisation to strive for the best solution to present to the consumers for problem solving. In retail environments, the late shopping hours that some shopping centres provide are a direct solution to the problem of time constraints that consumers experience. The marketers measure the extent of the problems that is presented by consumers and analyse the activities that should be involved in the solution of the problem.

According to Neal *et al.* (2006:79), many marketing managers would prefer not to react to consumers' problems, but would rather influence the problem – while it is in the recognition phase. Peter and Olson (2010:163) claim that consumer problem-solving is made up of uninterrupted exchanges among various factors that would include: the environment, cognitive and affective processes, and behavioural actions. The recognition of a problem, or the distance away from a desired state, would encourage the consumer to take measures to obtain information on how to solve the problem, or how to move closer to the desired state, thus initiating the search for information.

4.9.2 <u>The information search</u>

Searching for information can be done internally or externally. In the internal search process, which is the first to take place, the desired characteristics of a purchase would be determined. This is known as the search for *evaluative criteria*, consists of a set of characteristics that a product should include, in order to satisfy a need, or to close the gap between the actual and the desired state (Neal *et al.,* 2006:91). The next step is then to determine the status of one's own knowledge, or awareness of the alternatives. On the choice of a short-list of possibilities, or evoked set, one would then make the choice from that list. In the determination of a retail outlet, the same process would unfold.

The effort that a consumer would exert to do an internal search would be influenced by the motivation, the ability and the opportunity to process the information (Hoyer & MacInnis, 1997:194). Information that might be retrieved from memory includes the recall of brands, the recall of attributes, the recall of evaluations, and the recall of experiences. Marketing strategies should focus on positive experiences, and on the positive recollection of all aspects of the products.

An external information search would take place once the internal information is exhausted. Information in the long-term memory also comes from external sources, although it might have been a subconscious storing of information. The main supply of external sources of information is independent groups, personal contacts, marketer information and experiences (Hawkins *et al.,* 2007:539). Factors that would influence the external information search would include: the cost of the search in comparison with the benefits, the psychological factors – like brand loyalty, past experiences and current satisfaction, situational factors – like social pressure, time pressure, physical constraints, and special offers, and lastly information-processing factors – like the inability to understand information, and the lack of confidence with salespeople (Wilkie, 1990:576). Hoyer and MacInnis (1997:194) warned that consumers have capacity limitations that impact on their memory recall and information-processing ability.

The intensity of the search would be based on the level of involvement, or mental effort, that the consumer puts into the search process. According to Webb (2010:36), the mental effort exerted, is likely to be higher, when the decision that needs to be taken, is reflective of one's self-image, or if the purchase is highly visible. It would also be the case if the purchase involves a high risk.
Marketers could react to low-involvement decision-making by using point-of-purchase displays and in-store promotions. They can also link the purchase decision to a high-involvement situation. By advertising or promoting a high-involvement purchase that can only be obtained at a particular shopping centre, they could attract the consumer to the shopping venue. If consumers habitually visit a particular shopping centre, then the task of the marketer would be to maintain that behaviour. The consumer needs constant reminders of the quality and variety that can be obtained from the outlet.

After the search for information, both internally and externally, an evaluation of the information should be made, and a decision should be taken.

4.9.3 <u>Alternative evaluation and selection</u>

Consumers collect information – during and after which – they then evaluate the alternatives, and select a course of action that would solve their problem, or bring them closer to their desired state. These choices could be buying where it is the cheapest or most convenient; or they could involve multiple stages and processes.

Consumers are credited with the ability to make rational choices that would maximise their value and enhance their desired state. The rational-choice theory (Hawkins *et al.,* 2007:566) proposes that a consumer would identify the optimal choice to maximise his/her value. Hawkins *et al.* (2007:566) further explain that "...*the decision-maker simply collects information on the levels of the attributes of the alternatives, applies pre-existing values to those levels, applies the appropriate choice rule, and the superior option is [then] revealed".*

Hoyer and MacInnis (1997:214) use different terminology to describe the reviewing process. The term *judgement* is used to describe the evaluations or estimates regarding the possibility of events. The judgement processes involve the judgement of likelihood, how probable it is that something might occur; judgement of goodness/badness, where consumers evaluate the desirability of a product or service; *conjunctive-probability assessment*, being the likelihood that two events would occur simultaneously.

The reality reveals that consumers do not always select the optimal alternative. Consumers often have a limited capacity for processing information; this is known as *bounded rationality*. This, in combination with the fact that consumers make decisions based on emotions, would result in a choice that might not be logical or rational (Hawkins *et al.,* 2007:567). Consumers might use either an attribute-based process or an attitude-based process. When using attributes, consumers should be familiar with the specific attributes relating to the product or service that is being evaluated; this would imply that the various attributes of competing products or services are compared. In attitude-based evaluation, general attitudes are considered, impressions are reviewed, and intuitions or heuristics are used. The evaluative criteria that are used by consumers are related to the attributes, features, dimensions and benefits that a consumer would want, in order to move from an actual state to a desired state (Hawkins *et al.,* 2007:569).

The final phase in the alternative evaluation and selection comprises the rules of decision that apply. Neal *et al.* (2006:134), as well as Hawkins *et al.* (2007:581), describe a decision rule, as how consumers would select one alternative above others that have been considered. As an example, Shopping Centre A might be compared to Shopping Centre B. They further describe five decision rules.

- The conjunctive decision rule requires that a minimum standard of compliance for each relevant characteristic is set, and all brands that exceed this minimum are considered. A consumer wants a shopping centre to provide some form of entertainment for her 10-year-old son, while she is doing her weekly grocery shopping, as well as meeting her friend for a cup of coffee. In evaluating Shopping Centre A, she found that there is a coffee shop, a grocery store and a movie theatre. Shopping Centre B has the same as Shopping Centre A; but it also has a games arcade for children, as well as an Ice Rink. She chooses shopping centre B, because it goes beyond the minimum standard that she has set.

- The disjunctive decision rule_entails that a minimum set standard of compliance for any relevant characteristic is set; and all those brands that exceed this minimum are considered. In this case, the consumer would choose Shopping Centre A, because the coffee shop serves a well-known brand name that stocks the type of cake she prefers.

- The elimination-by-aspects decision rule ranks the evaluative criteria in terms of importance, and establishes satisfactory levels of compliance for each. It works downwards from the most important to the least important attribute associated with each brand. The consumer ranks entertainment for her son as the most important, and the coffee shop as the least important. She chooses Shopping Centre B, because of the games arcade that is age-appropriate for her son.

- The lexicographic decision rule ensures that the evaluative criteria are ranked in importance. Then the brands are evaluated against the most important criterion. If two or more brands tie on the first criterion, the second criterion is used; this continues until one brand outperforms the other brands. The consumer rates the grocery store as the most important, then the coffee shop, and lastly the entertainment for her son. In this case, the grocery store would be evaluated and if found equal, the next evaluation would be done on the coffee shop; and lastly, the entertainment would be evaluated.

- The compensatory decision rule selects the brand that rates the highest total score when the performance ratings for all the relevant attributes are added together for each brand. Each attribute is ranked: the grocery store, the coffee shop and the entertainment; and the highest-scoring shopping centre would get the vote.

Because of the variance in these decision rules, marketers need to understand which rules are used by target consumers, in order to position their product or brand, or their shopping centre, within a decision framework. An appropriate marketing strategy should be developed that caters for the decision rules.

In selecting a retail outlet, as in our example, the same rules apply that are used for the selection of a product or brand. In the next section, the evaluative criteria particular to the selection of a retail outlet will be discussed.

4.9.4 <u>Outlet selection and purchase</u>

The term retail outlet is used to refer to the source of products or services (Hawkins & Mothersbaugh, 2013:574). This term can refer to shopping centres, and stores, as well as to online shopping. However, for the purpose of this study, we will be focusing on the shopping centres.

The rise of the shopping centre has definitely sparked a new interest in shopping; and it has put a new spin on visits to a shopping centre. Consumers do not only go to a shopping centre to acquire a product or service, the reasons here are more complicated. According to Neal *et al.* (2006:160), many non-purchase reasons for visiting a shopping centre exist. These could include recreational activities, social activities, sensory stimulation, and trend spotting.

Consumers use evaluative criteria to judge the suitability of the outlet, and to make a comparison between the various outlets. The attributes identified by Hawkins and Mothersbaugh (2013:583) include: outlet image, retailers brands, retail advertising and outlet location and size. These attributes will now be explored for further clarification.

4.9.4.1 Outlet image

The retail image is the picture of how a consumer regards a retail outlet. The image is portrayed by an outlet's retail strategy; and the image is communicated to the consumers via advertising. Berman and Evans (2001:599) recommend that a retail outlet should project a consistent, clear and distinctive image. The image can become the differentiating factor in an industry with many competitors. The formal definition for retail image is*"...how a retail outlet is perceived by consumers and others*" (Berman & Evans, 2001:82). The retail image and the dimensions thereof, were discussed in detail in Chapter 3 and the dimensions of shopping centre attractiveness are explained in Chapter 5.

According to Hawkins and Mothersbaugh (2013:583), the outlet image relates, inter alia, to an important dimension that can be referred to as clientele. The supplementary services relate to the clientele dimension, and would help in defining a particular target market for the centre. The type of customers that frequent a particular shopping centre relate to a preferred target market that would attract like-minded people. If a consumer wants to be seen as mixing with the "right" people, he would make sure to be seen in the "right" centre.

The promotional activities comprise another dimension; like advertising, promotions and events offered by a centre could attract consumers and enhance the overall image of the centre (Hawkins & Mothersbaugh, 2013:583). Companies and marketers carefully prepare and convey tailor-made messages through marketing communications, in order to influence the behaviour of a selected target audience. The main function of marketing communication is to promote the *right* product, at the *right* price, and at the *right* place (Knipe, 2007:92).

Drawing crowds into a shopping centre for promotional activities, has little or no effect on the turnover of tenants and the success of the centre in general (Fourie & Foreman, 2010:694). The actions of consumers are based on the perceptions and attitudes of consumers towards the centre. According to Fourie and Foreman (2010: 695), formal marketing plans should be drawn up, based on the research into behaviours, attitudes and perceptions of the consumers. Knowledge of trade area demographics, as well as the economy are equally important.

4.9.4.2 Retailer brands

Retailer brands refer to store product brands, but they can be related to the outlet as a brand. The shopping centre or retail outlet should be regarded as a brand. A corporate brand can be a valuable asset, and a method for obtaining a sustainable competitive advantage for the centre. According to Aaker (1997:348), a corporate brand provides a value proposition that can provide long-term customer relationships. It also serves in building credibility, and establishes an organisational culture. A favourable outlet image or brand would have a positive impact on consumers that could lead to loyalty to the outlet, and positive word-of-mouth (Martenson, 2007:546).

4.9.4.3 Retail advertising

Advertising is used to promote a retail outlet or shopping centre and to communicate the attributes, sales, special promotions, and other news to consumers. Berman and Evans (2001:88) state that the right use of promotion can enhance the sales performance of an outlet, and can increase customer traffic inside a shopping centre. Shopping centres and retail outlets should make use of the three types of paid promotion available, namely: advertising, sales promotion and personal selling. The retailers should also take advantage of any free publicity, such as taking part in socially responsible activities. The hosting of charity events or the sponsoring of a competition in aid of charity can provide valuable publicity.

In a shopping centre, individual stores could promote their own products. This can create a spill-over effect when a consumer visits the centre because of a particular advertisement – and then spends money in other stores (Hawkins *et al.,* 2007:611).

4.9.4.4 Outlet location and size

The location of a shopping centre was discussed in Chapter 2, Section 2.3.1, as well as in Chapter 3 Section 3.2.3.1. From the viewpoint of the consumer, one of the factors in choosing a shopping centre to shop in would be the location of the shopping centre in proximity to the consumer's residence. Location is frequently cited as the most essential factor in the success of a retail outlet. If a retail location offers easy access and proximity to a consumer, it might well be supported by the consumer.

A study by Grewal *et al.* (2012:438) indicates that consumers view time as more indistinct than money. They would, therefore, not mind spending time on shopping activities. If consumers see price differences between shopping outlets, they would view the time spent travelling to and from the outlet with cheaper prices, as an investment. The study also indicated that high levels of merchandise could be a competitive draw for retailers in a less-convenient location. The level of merchandise can also relate to the size and variety of stores that a shopping centre holds.

Retail outlets and shopping centres should communicate the variety that is offered. In the case of a shopping centre, shoppers should be reminded of the number of stores, as well as other facilities and offerings that the centre offers. The size and variety of the goods on offer would offset the distance and time travelled to the shopping centre (Grewal *et al.,* 2012:442).

The outlet selection focus of this study is the Riverside Mall that is situated in the city of Nelspruit, the capital city of the Mpumalanga province, South Africa. The city of Nelspruit falls within the greater Ehlanzeni district, and according to the 2011 population statistics, it boasts a population of 588 794 people, of which 89,4% are Black Africans; 8,7% are Whites; and 1,6% are Coloureds, Indians and Asians (Statistics SA, 2012). The shopping centre, Riverside Mall, is classified as a premier regional shopping centre, with a GLA of 49 895 m^2.

Riverside Mall serves the following areas: Nelspruit, White River, Sabie, Graskop, Hazyview, Barberton, Machadodorp, Malelane, Mozambique and Swaziland. The annual footfall estimation in the shopping centre is 7.5 million people; that mainly consists of a target market of shoppers between the ages of 31 and 40, comprising: 54% Black Africans, 40% Whites, and 6% Coloureds/Indians in the LSM 8 group (Riverside Mall, 2012).

The shopping centre is well known in the area for the entertainment that it offers in the form of movie theatres, that also includes a 3D theater, a games arcade, ten-pin bowling, go-carts, and a newly constructed water park.

The last step in the decision-making process, the post-purchase evaluation, will be discussed next.

4.9.5 The post-purchase process

According to Schiffman and Kanuk (2007:582), a consumer will evaluate the purchasing process, using and disposing of the product in terms of their initial expectations. This post-purchase evaluation can lead to post-purchase dissonance, a feeling of doubt or anxiety. This feeling of dissonance would occur because a positive alternative was disregarded in favour of what is now regarded as the less-attractive alternative (Hawkins *et al.,* 2007:638).

When choosing one shopping centre above another, the same feelings of dissonance can occur when the alternative centre, which was not chosen, now seems to be superior. One of the results, for example, is when a consumer would have to wait to get to the "city" to make purchases, rather than to support local neighbourhood shopping centres. The marketing manager needs to work on a strategy that would satisfy the consumer and reduce the level of dissonance experienced. The evaluation of an alternative is to some extent dependent on the quality of the set of alternatives from which it was selected. According to Hawkins *et al.* (2007:649), marketers need to guide consumers into developing realistic consumer expectations. When an outlet is selected, the consumer should view it as superior, based on a combination of the relevant attributes.

The evaluation process that a consumer undertakes should be founded on the expected performance levels. Hawkins *et al.* (2007:649), describe eight major determinants for switching to a competitor. These would include: core-service failure, service-encounter failures, pricing, inconvenience, responses to service failures, attraction by competitors, ethical problems, or involuntary switching. In addition to these symbiotic performance standards, the affective performance of an outlet would also play a role. The affective performance relates to the emotional response that the outlet provides (Hawkins *et al.,* 2007:651). Service failure can be traced back to a lack of service within a shopping centre; this makes the training of service personnel important for shop owners, as well as the centre management. A new shopping centre that services the same area, might offer more variety in the retail outlets, or might be offering a special promotional week – because of a birthday celebration or a refurbishment. This could lead to dissonance if a consumer found out about this promotion after visiting a specific shopping centre.

After the evaluation process, there might be strong motivation to ignore or avoid the outlet in future. If the evaluation did not cause dissonance, then there would be the possibility for repeat patronage. Marketing strategies should include brand management, as well as relationship marketing and relationship building.

As discussed in Section 3.2.2, one of the tools for building a sustainable competitive advantage and relationship with customers is offering loyalty programmes. The loyalty programmes would influence the outlet selection, patronage and re-patronage of consumers. Although loyalty programmes date back to the trading stamps, Shugan (2005) explains that advancing technology has facilitated the development of more sophisticated so-called loyalty or reward programs.

According to Shugan (2005) as well as Ward and Dagger (2007) a consumer can be regarded as an asset to the retail outlet and marketing expenditures should be regarded as investments that generate key future benefits for the retail outlet**.** Shugan (2005) argues that retailers should commit to their customers and establish a satisfied customer base. The customer base, in turn, the consumers would become a valuable asset that provides substantial benefits in future periods. This view is echoed by De Wulf and Odekerken-Schroder (2003:106) and reiterates that the relationship efforts that marketers make have a direct impact on customer value. Customer loyalty strategies are used to ensure stronger relationships with customers are formed. Customer loyalty programmes to retain existing customers are used by retail outlets and shopping centres alike.

Loyalty programmes focus on groups of repeat customers whose ongoing support is essential to the performance of the retail outlet. Benefits that are meaningful to consumers should be included in the loyalty programme.

4.10 CONCLUSION

Chapter 4 has provided a discussion on consumer behaviour that focused on the origin of consumer behaviour, as well as the development of consumer behaviour. Three consumer behaviour models: the Nicosia model, the Howard-Sheth model, as well as the Hawkins and Mothersbaugh model, were discussed and illustrated.

The Hawkins and Mothersbaugh conceptual model was used to discuss and explain the different components of the consumer behaviour process. The external and internal influences, and the special situations that can prevail when a decision needs to be made, were discussed. The external influences included: culture, sub-culture, demographics, social status, reference groups, family and marketing activities. Perception, learning, memory, motives, personality, emotions and attitudes make up the internal influences.

The combination of these influences relate to the consumers self-concept and lifestyle, which in turn, influences the decision-making process. The decision-making process was discussed next with reference to the steps of problem-recognition, information- search, alternative evaluation and selection, outlet selection and purchase, as well as the post-purchase processes were discussed. Special attention was paid to the outlet selection, as this considered to be pivotal to the study.

It is clear that the ultimate decision in choosing which shopping centre to favour lies solely in the hands and minds of the consumer. Understanding the motivations and preferences of the consumer is thus paramount for the marketer. The dynamic nature of consumer behaviour makes the development of marketing strategies a complicated undertaking.

The next chapter will be committed to the discussion of shopping centre patronage and behaviour with specific reference to shopping centre attractiveness.

CHAPTER 5

SHOPPING CENTRE PATRONAGE AND BEHAVIOUR

5.1 INTRODUCTION

The previous chapters focused on the concepts of shopping centres, retail marketing strategy, as well as consumer behaviour models and the consumer decision-making process. The purpose of this study is to determine black consumers' shopping centre patronage and more specifically their shopping behaviour and the shopping centre attractiveness of the Riverside Mall, Nelspruit.

Changes in the retail landscape have been accompanied by significant changes in consumer shopping behaviours such as the increase in cross-shopping, out-shopping, multi-purpose shopping and non-traditional retail formats.

The term cross-shopping, according to Ganesh, Reynolds and Luckett (2007:371) refers to shoppers who, after years of supporting a traditional shopping format, change their retail patronage patterns by shopping at alternative retail formats. Jayasankaraprasad (2014:29) explains this phenomenon as the result of consumers that are spoilt for choice on purchasing sources. These sources provide the consumer maximum value in terms of their scare resources that include, time, money and effort. He further argues that shopping opportunities has become blurred in the minds of consumers because of the fact that a consumer can satisfy their shopping needs at a wide variety of outlets, store-formats and shopping channels.

Out-shopping transpire when consumers shop outside of the areas where they reside (Ganesh *et al.*, 2007:371). Often younger consumers with higher disposable income would travel to destinations where they can combine shopping and leisure (Ganesh *et al.*, 2007:371). According to Ganesh *et al.* (2007:371) both out-shopping as well as cross-shopping are spin-offs that resulted from the uniform shopping centres and one-stop shopping way of thinking. In addition to this, shoppers are using their limited time to combine shopping excursions to include various product categories from multiple retailers (Ganesh *et al*., 2007:371; Popkowski Leszczyc, Sinha & Sahgal, 2004:85). Retailers are also responding to this need for shoppers to economise their time, by providing a wide range of products and providing an opportunity for shoppers to make multi-purpose single-stop shopping trips.

Lastly there has been an increase in non-traditional retail formats such as internet shopping. On the July 1998 cover of Time Magazine the downfall of shopping centres was predicted by a caption that read: “Kiss your Mall Good-bye: Online Shopping is Cheaper, Quicker and Better” (Arnold & Reynolds, 2003:77). This is a bold statement and one that has not been verified in the South African context. During the past ten years, the use of the Internet as an alternative for shopping has increased in popularity; however, it is suspected that the average black consumer still uses traditional ways to do the shopping. Internet usage statistics for Africa indicate that only 15,6% of the population are users of the Internet. South Africa’s usage of the Internet had increased to 8,5 million users in 2012, but the current percentage penetration of the population is only 17,4% (Anon., 2012).

Some researchers have predicted that the Internet and e-commerce will have a negative effect on the retail market. However, according to Prinsloo (2006), in South Africa, with its 4.5 million internet users, the impact on retail sales is estimated at only 0,5%; and worldwide e-tailing is estimated at only 1%-2% of total retail sales. It seems that the internet is mostly used to promote retail – with websites being a marketing tool for shopping centres (Kavanagh, 2000; Prinsloo, 2006).

Although the internet, or e-tailing, as it is called, has not destroyed the traditional retailers, it has changed consumer behaviour by exposing consumers to many more options, such as those to be found in the social media (Lusch *et al*., 2011:6). This view is shared by Ganesh *et al.* (2007:380) by mentioning that the traditional approach and attitude that consumers have towards shopping might be altered by the mushrooming effect of e-tailing.

5.2 SHOPPING PATRONAGE AND MOTIVES

The study of retail or shopping patronage includes various aspects, such as, the relationship between consumer personality variables and store loyalty, patronage motives related to store selection, store image and consumer attitudes toward stores, attribute importance, attributes of shopping centres or shopping centre image, factors affecting consumers choices of shopping destination, shopping enjoyment and the patronage of a specific shopping centre (Bellenger *et al.,* 1977; Dennis, Marsland & Cockett, 2002; Hart *et al*., 2007). While shopping or store choice behaviour refers to aspects such as patronage frequency, travel time to the store or shopping centre, shopping expenditure levels and mode of transport (Ou, Abratt & Dion, 2006; Dennis *et al*., 2002). Ganesh *et al*. (2007) argue that the two most common methods to examine patronage behaviour are shopping motivations and store or shopping mall attribute importance or attractiveness.

Shopping motives plays an important role in explaining shopping behaviour. According to Morschett, Swoboda and Foscht (2005:423) shopping behaviour is seldom guided by objective reality but rather by the perceptions of consumers. The short term perceptions are often translated into long term attitudes towards retail outlets that influence shopping behaviour. Shopping motives become important when the heterogeneous behaviour of consumers towards retail patronage preferences becomes evident (Sheth, 1983 in Morschett *et al.,* 2005:424).

Frasquet *et al.* (2001) are of the opinion that the factors that influence shopping centre selection can be grouped into three categories, namely consumer characteristics, consumer psychological states and outlet characteristics. Moreover, Frasquet *et al.* (2001) emphasise that shopping centre choice modelling should be based on attributes specific to the centre, avoiding retailer- specific attributes, for example, in-store shopping experience as discussed by Berman and Evans (2001) and Terblanche and Boshoff (2002).

Sirgy, Grewal & Mangleburg, (2000:127) argue that retail patronage is linked to the effects that a retail environment have on the beliefs and preferences of a consumer. Consumers will favour a retail environment that is congruent with his own believes and perceptions.

Sirgy *et al.* (2000:127) define retail patron image as the stereotypical images of different stores in the eyes of the patrons. The authors remark that the closer the match between this retail patron image and the consumer's self image, the more likely it is that the consumer will have a favourable image towards the store or patronise the outlet.

Sirgy *et al.* (2000:128) further argue that the factors that contribute to the formation of a retail store patron image are linked to the various attributes of the retail outlet. The multidimensional nature of the self image (actual vs. ideal self) poses the question on how consumers will evaluate the retail patron image. In the South African context many black consumers are aspirational shoppers (Tagg, 2011; Fourie, 2011) and would rather match the ideal self with the retail patron image for example.

Sheth 1993 (in Morschett *et al.,* 2005: 425) uses an integrative theory of patronage to explain how people place differences in importance on certain attributes in shopping outlets. The premise is that shopping motives are only one component in the choice equation with options (the evoked set) the other. Morschett *et al.* (2005:426) argue that the perception of choices is not independent of the motives of consumers, but that a close relationship exists of interdependence exists. However, the perceptions that consumers' hold of a certain retail outlet can be subjective based on the characteristics and self-image of the individual (Morschett *et al.,* 2005:426).

An example of how consumer characteristics have an influence can be seen in how the demographic and psychographic profile of consumers play a role in the patronage of retail formats (Carpenter, 2006:5). Traditional shopping through informal trade and small spaza shops or local markets was the norm amongst black consumers. After the migration towards bigger towns and cities, the demographic profiles of black consumers changed and the black consumers started to favour the formal shopping centre.

Morschett *et al.* (2005:428) argue that shopping patronage motives is influenced by the consumers' perceptual process as well as involvement level. Morschett *et al.* (2005:426) further proposes that different shopping needs will also lead to different stimuli from the retail environment. Studies on hedonic and utilitarian shopping motives explain various needs that lead to perception forming of the retail outlet (Jin & Sternquist, 2004; Kim & Kim, 2005;). Hedonic shoppers that seek entertainment and pleasure in shopping will evaluate the entertainment value that a shopping outlet have whereas the utilitarian shopper would rather focus on assortment, variety, value for money and pricing (Jin & Sternquist, 2004:15).

According to Sit *et al.* (2003), one of the key decisions faced by consumers is where to shop in terms of shopping location and store choice, thus resulting in an increased importance of understanding patronage and repatronage behaviour (Machleit, Meyer & Eroglu, 2005). Prior research has shown that store image has a significant role to play in consumers' patronage decisions, and it could therefore be assumed that the image of the shopping centre may also influence consumers' decisions of where to shop (Hart *et al.*, 2007). It is therefore important to understand what attract consumers to a specific shopping centre to ensure that more effective management could take place to increase repatronage intentions.

The ground-breaking study on the assessment and prediction of shopping centre patronage was conducted by Martineau in 1958 (Wong *et al.,* 2001; Sit *et al.*, 2003). Martineau as well as other researchers, such as Wong *et al.* (2001), Sit *et al.* (2003) and El-Adly (2007) declared that shopping centre patronage is reliant on the attractiveness of the shopping centre. The next section will now discuss the various attractiveness attributes.

5.3 DETERMINANTS OF SHOPPING CENTRE ATTRACTIVENESS

Martineau conceptualised retail-centre image as a multi-dimensional construct, consisting of distinct attributes, such as merchandising, accessibility, service and atmospherics. Many researchers have published work on the attributes that would constitute the attractiveness factors. Earlier studies of shopping centre image and attractiveness have mainly focused on four key attributes, namely: merchandising, ease of access, services and atmospherics (Lindquist, in Sit *et al.,* 2003:81). However, a few studies have incorporated entertainment, food and security as shopping centre-image attributes. The entertainment mix, in particular, has sparked interest by researchers such as, Sit *et al.* (2003:83); El-Adly (2007:941) and Kim and Kim (2008).

Teller and Elms (2010) identified accessibility, parking conditions, tenant mix, product range, merchandise value, sales personnel, atmosphere as well as orientation and infrastructure facilities, as those attributes that have an impact on the overall attractiveness of shopping centre from a consumers' point of view. While Wong *et al.* (2001) identified five dimensions of attractiveness namely location, quality and variety, popularity, facilities and sales incentives. However, Wong *et al*. (2001) did not include entertainment as one of the attributes. Sit *et al*. (2003:81) developed an instrument, which includes 39 attributes grouped into 12 dimensions, and it included entertainment as an attribute, while El-Adly (2007:936) studied shoppers in a United Arab Emirates shopping centre, where he used six factors with 25 attributes to categorise the shoppers. 5. What is clear from these findings is that although some of the attributes load into different dimensions, the attributes are universal and applicable to the overall retail image.

These studies contribute to the understanding of the attractiveness factors that make up a retail image and will now be discussed in more detail. From the above discussion it is evident that different authors grouped the attributes in different ways as there is no clear-cut indication where a specific attribute fits best. For example, an attribute such as parking could be viewed as part of the physical facilities of a shopping centre but also contributes to the shopping centre's convenience and accessibility. Therefore the headings used in this section are merely to provide structure to the discussion and a specific attribute may be discussed in multiple sections.

5.3.1 Merchandise/Tenant mix

Merchandise relates to the quality, selection, style and price of the products. In a retail outlet, such as a shopping centre, that would relate to the tenant mix. The tenant mix is described by Snyders and Cloete (2010: 334), as the allocation of stores within a retail complex – in terms of space, price points, and mutual relationships. The objectives of choosing the optimal tenant mix would be to achieve benefits for the centre's management, the tenants, as well as for the consumers. This view is echoed by Kim (2000:598) that argues that in a shopping centre environment, the plan for the merchandise elements would be focused on the tenant mix.

For consumers, the benefit would lie in the variety and appeal, whilst also satisfying their demands. The tenants would benefit equally with the centre management in obtaining optimal traffic, cross-shopping, prolonged visits, as well as increased productivity. The right tenant mix would help to achieve the right image for the centre, and to provide a pleasant shopping experience. For the shopping centre owner, it would ensure maximum return on the initial investment (Snyders & Cloete, 2010:334).

A study by Grewal *et al.* (2012:438) indicated that high levels of merchandise could be a competitive draw for retailers in a less-convenient location. The level of merchandise can also relate to the size and variety of stores that a shopping centre holds. The authors also found that the size and variety of the goods on offer would offset the distance and time travelled to the shopping centre. The tenant mix as a marketing tool in shopping centre planning was discussed in Chapter 2, section 2.3.2.3.

Shops within a centre should complement each other in quality and variety, and should also relate to the needs of the population in the trading area. An ideal tenant mix would, therefore, be to aim at offering a wide range of products and services, to create a specific image for the centre, to provide a logical layout, to provide a pleasant shopping environment, and to provide the maximum return on investment for the shopping centre owner (Snyders & Cloete 2010:331). Ahmed *et al.* (2007:334) state that the evolved needs of consumers has led to shopping centres growing larger and the one-stop convenience has expanded to include service outlets and entertainment providers. A good tenant mix would, therefore, provide a win-win situation to the landlord, as well as the tenants and their customers. Merchandise management was discussed in Chapter 3, section 3.2.3.2.

Because of time constraints, shoppers prefer to engage in one-stop shopping that allows them to easily compare products and prices. It is therefore important to include not only entertainment, but also restaurants and food courts in a shopping centre. These facilities would increase the time spent in a shopping centre (Wakefield & Baker, 1998:519; Sit *et al.*, 2003:92; Ahmed *et al.,* 2007:334). It would also meet the objective of the original shopping centres to become vital centres in the community and meeting places (Howard, 1985:451).

It is understandable that shopping centres, which contain a wide assortment of stores, restaurants and entertainment outlets, would be likely to draw more consumers and provide greater opportunities for them to shop, eat, and seek entertainment in the confines of the shopping centre (Wakefield & Baker, 1998:521).

5.3.2 Entertainment

Consumers are more likely to frequent a shopping centre that has some form of entertainment provided in the tenant mix, according to Wakefield and Baker (1998); Frasquest *et al.* (2001) and Sit *et al.* (2003). The entertainment provided may include speciality entertainment, such as movie theatres, special event entertainment, such as fashion shows, and food-related entertainment, such as food courts and cafes (Frasquest *et al.*, 2001).

Wakefield and Baker (1998:532) indicate that food and entertainment should provide exciting options when a shopper needs to take a break from the hours they spend shopping. The authors conclude further that a shopper would leave the shopping centre prematurely if these options are not available. This view is supported in the research conducted by Sit *et al.* (2003:85) that found that entertainment is an effective tool to attract patrons to shopping centres. Ahmad, (2012:106) confirmed this finding and stated that a positive relationship exists between entertainment and shoppers satisfaction with their shopping experience.

The trend to adding entertainment and experiences to the retail mix is termed retail-tainment (White, 2010). In order to meet this need, a shopping centre should offer good quality public space, places where people can meet, and places to relax. This would include restaurants, in addition to movie theatres, and indoor, as well as outdoor spaces (Prinsloo, 2010).

Shopping centres are becoming giant entertainment centres – in a bid to make them a choice destination in the eyes of the consumer (Sit *et al.*, 2003:84; El-Adly, 2007:946). According to Ahmed *et al.* (2007:334) the importance of creating a positive, vibrant and interesting image has led innovative marketers to blur the line between shopping and theatre because both shopping centres as well as individual retailers must create stimulating environments that entice people to shop and be entertained. Barnes (2002) argues that South African shopping centres are increasing utilising entertainment, not only to draw customers to the centre, but also to build long term relationships. Various shopping centres all over the world have included entertainment as a vital part in their offering. Some examples of this are discussed in Chapter 2 under section 2.2.

5.3.3 Service

According to Sit *et al. (*2003:83), service is an integral part of the offer that is presented to consumers. Excellent service delivery, where customers' expectations are met or exceeded can also be a basis for sustainable advantage if the shopping centre or retailer competes for the same customer base (Sullivan & Adcock, 2002:234).

Unlike the factors representing shopping environment, which are related to the public aspects of the shopping centre, customer service quality may be more relevant to individual stores than to the overall shopping centre. According to Hart *et al.* (2007:591) individual retailers often offer different and specifically tailored staff training programmes. However Leo and Philippe (2002) (in Hart *et al.,* 2007:591) argue that knowledgeable staff that gave good advice contributed to perceptions of the entire shopping centre, rather than an individual store.

Researchers such as Hart *et al.* (2007) and Sit *et al.* (2001) argue that unlike customer satisfaction, which would refer to a particular service encounter, service quality refer to a more inclusive measure of service performance, which could be applied to the shopping centre level. Added to this, service quality needs only to meet a basic minimum level to be seen as acceptable to customers and to be considered good service across the shopping centre as a whole (Darian *et al.,* 2001 in Hart *et al.,* 2007).

Sit *et al.* (2003) and Hart *et al.* (2007) explain that customer service quality should therefore be considered a measurement of the holistic shopping centre image in that it represents the 'augmented product' that supports the basic merchandising function of the shopping centre and also adds value to the total enjoyment of the shopping experience.

Service levels also relate to return policies, the sales personnel, as well as the service delivered by the shopping centre in terms of its own personnel. It is part of the responsibility of centre management to monitor the performance of the tenants. According to Hartnardy (2010:624), the most profitable business is repeat business, which implies that quality service delivery is not negotiable. Hartnardy (2010:628) continues by defining quality as "...meeting or exceeding customers' expectations."

According to Ahmad (2012:107) service quality has an influence on shopper satisfaction, and a higher quality of service will provide a higher degree of satisfaction. The expectations and perceptions of customers should therefore dictate the level of service delivered. The competitive advantage will depend on how well the centre manages the personal expectations and perceptions of their customers, and then to ensure that these expectations are met through reliable and satisfactory delivery.

Hartnardy (2010:630) used Parasuraman's SERVQUAL instrument for measuring quality customer service as a benchmark to describe the dimensions that should be followed to ensure quality in service delivery in a shopping centre. These include: reliability, responsiveness, credibility, empathy and attractiveness. A consumer would strive to get a total service experience. This would entail core, as well as supplementary services.

Hartnardy (2010:632) describes the core services of a shopping centre as those which include the following: security, safety, cleanliness, tenant mix, information, parking, promotions, toilets, accessibility for disabled people, and lifts, in addition to shopping hours. The supplementary services would then comprise 'add-on' values, and would assist in creating a distinctive brand character for the centre. These would include: children's facilities, luxury toilets, valet parking, hostesses, entertainment, newspapers, foreign language interpretation, and wheelchairs (Hartnardy, 2010:633).

Both personal and public services are important in adding value to the shopping experience (Sit *et al*., 2003:83). The absence, or the perceived lack, of service can often lead to negative perceptions and annoyance with the shopping centre; and these can be seen as shopping irritants (d'Astous, 2000:154).

According to Hart *et al.* (2007) customers' enjoyment of the shopping experience will be reflected in the extent to which customers perceive that they have received good service in terms of friendliness and helpfulness of staff. This will lead to a favourable impression of the shopping centre and consumers would more likely regularly return to the shopping centre.

5.3.4 <u>Physical facilities</u>

The first impressions of the physical shopping environment are used by potential shoppers to form perceptions of their future shopping experience. The visual impact of design, as well as the general ambience and fellow shoppers, can play a role in the shopping experience. According to Wakefield and Baker (1998:531), the physical environment of the shopping centre influences a consumer's first impression and initial level of enthusiasm or excitement.

This experience with the physical appearance and, in particular, with the **design and décor** can be positively associated with excitement or the desire to stay in the shopping centre. Wakefield and Baker (1998:531) explain that consumers' earliest inkling and original level of excitement is mostly generated by the physical environment to which they are exposed. Wakefield and Baker (1998:531) found that one of the strongest excitement factors in a shopping centre was the architectural design, although it did not necessarily have any significant influence on the desire to stay in the shopping environment.

Physical facilities relate to the cleanliness, centre layout, and attractiveness, as well as shopping ease. These physical facilities relate to the core services; and they play an important role in the consumers' choice. Wong *et al*. (2001:82-84) identified similar elements that influence the design of the outlet and include factors such as adequate parking facilities, well-designed and well-appointed entrances, resting seats, layout, store atmosphere, as well as vertical transportation (escalators and lifts). El-Adly (2007:946) reiterate the importance of consumer comfort and urges management to make sure that shoppers have comfortable seating, ample parking spaces, a secure shopping environment, and a **clean** shopping centre.

According Berman and Evans (2013:492) centre **layout**, provide a more detailed outlay of the elements included in building atmosphere. According to Teller and Elms (2010:28) convenience relating to searching, locating and accessing stores and other tenants within a shopping centre can influence the evaluation of attractiveness of the shopping centre in its totality. The physical facilities also has a significant influence on the actions of consumers, as shown in the research conducted by d'Astous (2000); Wakefield and Baker (1998); and Eroglu, Machleit and Barr (2005) where retail crowding and in a shopping centre were identified as shopping irritants. Shoppers might abandon shopping centres with a time-consuming layout and inconvenient parking lot, in favour of a neighbourhood store Kim and Kim (2008:9). Other hindrance to shopping enjoyment, according to Teller and Elms (2010:28), can include the arrangement of tenants within the shopping centre.

Sit *et al.* (2003:83) mention way-finding as an important factor in design. The functional layout of a centre relates to the comfort and **signage**. The lack of signage within a shopping centre can lead to frustration and irritation. Patrons of shopping centres tend to favour centres that are easily accessible. This reduces stress and frustration, and cuts down on the psychological cost to consumers.

Parking is an important factor in the design and layout of a centre, as it may be regarded as the start of the shopping experience. According to Teller and Elms (2010:27) this includes the availability of free parking spaces and the type of parking facilities. This can include disability parking, parking for mothers with pushchairs, undercover parking and drop-off zones. Shopping centres also provide communal services or facilities such as escalators, lifts and signboards, as well as public facilities, such as restrooms. Sit *et al.* (2003) propose that adequate parking facilities are one of the tools to attract patrons to a shopping centre.

Consumers will visit centres for the entertainment and the pleasant ambience, as well as for a **safe** shopping environment (Sit *et al.*, 2003:81). The study conducted by El-Adly (2007:943) also indicated that security is a major concern that can contribute to the overall image or attractiveness of a shopping centre, and more specifically the patronage thereof. This element is also important in South Africa, given the high crime rate.

A study by Farrag, El Sayed and Belk (2010:111) introduced two additional shopping motives, namely, freedom and safety. The researchers state that safety is important to family focussed shoppers who need a shopping experience that is free of harassment and bad weather conditions.

5.3.5 Convenience

Consumers have become more sophisticated in their demands and the needs of, and convenience to, consumers have become of paramount importance in the design of shopping centres (d'Astous, 2000:150; Sit *et al.,* 2003:83). The value that a consumer would derive from shopping in a shopping centre would relate to convenience, with reduced resource expenditures like time, energy and money (Kim, 2002:598). Outlet location and size was discussed in section 4.9.44, Chapter 4 as well as in Chapter 2 (2.3.1) and Chapter 3 (3.2.3.1). Research by Nelson (in Damian, Curto & Pinto, 2011:457) refers to the location theory, where Nelson established that the collection of retail activities is based on collective appeal and compatibility.

Nelson's theory of cumulative attraction states that stores that sell more or less the same merchandise would benefit from being located adjacent to, or in the vicinity of each other. For this reason, property developers are clustering stores in shopping centres to accommodate these shopping habits (Wakefield & Baker, 1998:521).

Convenient **shopping hours** could also influence shoppers' perceptions about the attractiveness of a shopping centre according to Sit *et al*. (2003). El Adly (2007) agrees that convenient shopping hours will lead to patronage of a particular centre. Location and parking become important in our time-strapped lives and influence convenience. The location of shopping centres is planned through a process of market research and town planning. According to Prinsloo (2010a:156), an optimal location would allow ready access and attract a large number of customers, as well as ensuring an increase in potential sales. Location, being a long-term investment, is the most crucial factor; and even a slight error in judgement could lead to substantial economic losses (Prinsloo, 2010a:156).

In South Africa, where we rely on private or public road transport, parking plays an important role. Parking should not only be provided for shoppers that use their own transport, but also for shoppers that have to make use of public transport, such as buses or taxi services. Shopping centre parking is provided as either covered parking or uncovered parking. According to Smith and Cloete (2010:220), factors that need to be taken into consideration when parking is designed should be the number of parking bays relative to the gross floor area for hire, the direction of traffic flow, the points of entrance and exit, adequate circulation space for cars, pedestrians, buses, delivery and emergency vehicles, as well as the walking distance to the shop entrances. In addition to this, planners should also consider the width and angle of the parking spaces and the landscaping, including the drainage and the surfacing.

In South Africa, private vehicle ownership is on the rise amongst the black middle class. However, many commuters still make use of bus and taxi transport. Shopping centres should make provision for bus depots and / or taxi ranks in their planning, if they want to serve the lucrative black middle-class market.

According to Wong *et al.* (2001:79), Sit *et al*. (2003:83) and El-Adly (2007:941), **location** should be linked to convenience. Wong *et al.* (2001:78) assert that a shopping centre should be conveniently located close to public transport and within a retailing belt. Sit *et al*. (2003:83) view accessibility and convenience as important, implying that drive time, (distance from home), as well as access roads are important. Convenience to El-Adly (2007:944) means that the centre should be easily accessible and that the hours that the centre is operating should be accommodating to all the potential customers.

5.3.6 Atmosphere

The general atmosphere that a shopping centre offers would draw consumers in and keep them satisfied with their shopping experience. Ambient factors or atmospherics relate to the stimuli that exist in the background of a shopping centre, of which consumers are not always consciously aware and may include pleasant background music, fashionable colour schemes, and modern decor, well-lit areas and air-conditioning (Berman & Evans, 2013:491; d'Astous, 2000:150; Wakefield & Baker, 1998:517). Sit *et al*. (2003:83) state that consumers could use **atmospherics** as environmental clues to imply the quality of the centre.

Furthermore, Wakefield and Baker (1998:517) claimed that atmospherics can stimulate consumer excitement. Hawkins *et al*. (2007:622) argue that a centre's atmosphere would have a direct influence on the mood or emotional state of a consumer, and on the willingness of a consumer to visit and linger in a centre. They further state that other patrons could also have a direct impact on the mood of a consumer. This would relate to the number, characteristics and behaviour of other consumers. Crowding, for example, can evoke negative emotions, and reduce the time spent in browsing.

Atmospherics relates to factors that a retailer would use to create a distinct atmosphere in his retail outlet. This atmosphere is related to physical characteristics that projects an image and lure consumers, and which evoke a psychological feeling (Berman & Evans, 2013:491). The ambient factors consist of those stimuli that exist in the background and that consumers may or may not be directly aware of (Baker in d'Astous, 2000:150). They would include air quality, noise, scent and cleanliness as important features in determining the ambience of a shopping centre.

In a study conducted by Ahmed, Ghingold and Dahari (2007:335), these authors concluded that shopping centres with their enclosed shopping experience offer a customer the advantages of lower noise levels than busy shopping streets, as well as climate and odour control. They further state that "…architectural elements are being used by developers to increase the drama of shopping centre interiors, and to satisfy consumer-seeking sensory stimulation".

Spangenberg, Grohmann and Sprott (2005:1540) propose that although speciality stores, like sweet shops, bakeries and bath-product stores, often have an inherent odour or smell that can attract customers, some stores are using ambient scents, not associated with their products, to try and attract customers. The authors suggest that ambient odours positively influence shoppers' perceptions of the attractiveness of a store.

Michon, Chebat and Turley (2005:576) explored the same attributes as did d'Astous (2000:156) – by considering factors, like ambient odours, crowding and shopping centre density. These factors can be referred to as retail atmospherics. Many other researchers attached different meanings to the term atmospherics (Sit *et al.,* 2003:81; Ruiz *et al.,* 2004:336). Some of the earliest work on atmospherics was proposed in 1973 by Kotler. According to Kotler (1973:48), store atmosphere is often more important than the product itself; and this author therefore advises that spatial aesthetics should be carefully and meticulously planned, together with the 4 P's and other marketing tools.

The importance of correctly planning for atmospherics lies in the distinction between the intended and the perceived atmosphere. The perceived atmosphere is influenced by learned beliefs and culture (Kotler, 1973:50). Physical features, such as architecture, interior design and window dressing were the three major art forms identified by Kotler as contributing to atmosphere realization (Kotler, 1973:62). Later research by Sit *et al.*

(2003:83) confirmed some of the items termed as atmospherics that fit into the physical environment; these would include ambience, colour, décor, music and layout.

A study by Yani-de-Soriano and Foxal (2006:403) describe atmospherics as the elements of a retail environment that provoke emotional reactions in prospective customers, encouraging them to remain in the store setting, browse, evaluate – and eventually purchase. Berman and Evans (2013:492) provide a more detailed outlay of the elements included in building atmosphere. The broad outlay includes exterior factors, general interior factors, centre layout, as well as interior displays.

Levy and Weitz (2013:489) relate the success of a good atmospheric design to the five senses. The belief is that the atmospheric elements should work in synergy to rouse customers' perceptual and emotional reactions, and in due course, entice them to purchase. Furthermore, these elements should set off the other aspects of design and merchandising. The general interior elements of lighting, colour, music, scent and decor will now be discussed.

- Lighting can be direct or indirect, flashing or constant, and made up of different colours. Retailers often make use of lighting to create enthusiasm in the store; it can be used to emphasise products, to sculpt space, and to create an atmosphere to enhance the image of the store (Levy & Weitz, 2013:490). Lusch *et al.* (2011:507) argue that retailers need to understand how different levels and types of lighting can have an impact on sales. Environmentally friendly, energy-saving lighting is a non-negotiable priority in remodelling and new buildings.

- The creative use of colour can enhance image and create atmosphere. Colours also reiterate brand image by providing cohesiveness between the physical interior of retail outlets and the promotional messages. Levy and Weitz (2013:491) suggest that colours should be chosen with care, and that the cultural preferences of the target market should be considered. According to Sullivan and Adcock (2002:151), colour can have both a physiological and a psychological effect on the consumer. The physiological effect is largely instinctive; and consumers would react the same way, regardless of the environment they are in. An example is the colour blue that is used as a calming colour. The psychological effect is due to a learned predisposition to a colour. The learned responses link to places, occasions and other forms of socialisation. Culture, family and peer groups could all have an influence on learned responses (Sullivan & Adcock, 2002:151-152).

- Music / sound are also referred to as the aural dimension. They can either enhance the mood of the consumer, or they could act as an irritant. Chebat, Chebat and Vaillant (2001:122) argue that music can help the consumer retrieve subconscious thoughts that would help in understanding the salesperson, as well as perceiving the verbal and non-verbal clues from the store environment and atmosphere. Background music can act as an arousal inducer, where the decision-makers' available retention ability increases, thereby facilitating closer attention to the decision process (Day, Lin, Haung & Chuang, 2009:133). Factors that should be considered are: the tempo of the music, the type of music, as well as the level of loudness at which the music is played. Levy and Weitz (2013:491) suggest that the tempo that music is played can control the pace of store traffic. It can furthermore aid in creating a specific image and attracting or directing the consumers' attention.

- The olfactory dimension relates to the presence of smells or odours in a retail environment. These can have a huge impact on the mood and emotions of a consumer. Scent used, in combination with music, can boost the excitement levels of shoppers (Levy & Weitz, 2013:491). A good example where scent can arouse emotions is in a bakery. According to Lusch *et al.* (2011:508), the type of scent that a retailer uses should be consistent with the retail image and fit the immediate environment. Smells should put customers "in the mood" and evoke emotions that could lead to sales.

- The decor of a store should start with the storefront. Lusch *et al.* (2001:505) suggest that a storefront must identify the store, as well as provide a clue as to the merchandise sold inside the store. Kotler (1973: 63) mentioned window dressing as one of the factors that would impact on atmospherics. The mood that the storefront has created should continue in the interior decor of the retail outlet. According to Berman and

Evans (2013:495), this would include the flooring, wall coverings, furniture and display areas (shelves), as well as the layout of the store and the merchandising.

The image of a shopping centre contributes towards building a brand for the shopping centre and is useful in the marketing of a shopping centre.

5.3.7 Overall satisfaction/attractiveness

Post-transaction, or the overall satisfaction, that a consumer would experience relates in a broad sense to all the above factors that should be in place, in order to provide a positive image of the shopping outlet. Post-purchase satisfaction would also play a role.

According to Sit *et al. (*2003:83), service is an integral part of the offer that is presented to consumers. Excellent service delivery, where customers' expectations are met or exceeded can also be a basis for sustainable advantage if the shopping centre or retailer competes for the same customer base (Sullivan & Adcock, 2002:234).

Unlike the factors representing shopping environment, which are related to the public aspects of the shopping centre, customer service quality may be more relevant to individual stores than to the overall shopping centre. According to Hart *et al.* (2007:591) individual retailers often offer different and specifically tailored staff training programmes. However Leo and Philippe (2002) (in Hart *et al.,* 2007:591) argue that knowledgeable staff that gave good advice contributed to perceptions of the entire shopping centre, rather than an individual store.

Researchers such as Hart *et al.* (2007) and Sit *et al.* (2001) argue that unlike customer satisfaction, which would refer to a particular service encounter, service quality refer to a more inclusive measure of service performance, which could be applied to the shopping centre level. Added to this, service quality needs only to meet a basic minimum level to be seen as acceptable to customers and to be considered good service across the shopping centre as a whole (Darian *et al.,* 2001 in Hart *et al.,* 2007).

The amount of research that has been conducted by researchers from as early as the 1950's indicates the importance of understanding patronage motives. According to Farrag *et al*. (2010:96) there is a homogeneity in shopping centres across the world and many look similar, however the local variations in culture, values and the economic conditions of the country provide a different enunciation of the shopping centre phenomenon and understanding the consumers preferences becomes paramount.

The shopping centre environment should, therefore, receive attention – not only in the initial planning stages – but also at regular intervals, by questioning customers about their perceptions and re-patronage intentions (Wakefield & Baker, 1998:531).

5.4 SHOPPING BEHAVIOUR

Retailers have strived to understand the behaviour of shoppers for the past few decades. Many shopper typologies has been developed and used to try and explain behaviour. According to Carpenter (2006:6) a connection exists between demographic characteristics and patronage of retail formats, suggesting that individual characteristics of consumers can have an influence on their shopping behaviour. This view is supported by Hart *et al*. (2007) who indicated that the relationship between the enjoyment of the shopping experience and the intentions to re-patronise the shopping centre was positive.

5.4.1 Demographical characteristics effects on shopping behaviour

Consumer characteristics have an influence, and are an example of how the demographic and psychographic profile of consumers plays a role in the patronage of retail formats (Carpenter, 2006:5). Demographics constitute another factor that influences shopping behaviour, and as such should be considered in marketing activities. Education, income levels, gender and age structures influence personal values, lifestyles and decision styles (Neal *et al*., 2006:388).

According to Ou *et al*. (2006:224) consumers' age is not often used as an independent variable in determining the reputation of a retail outlet. However age can serve as an indication of life experience and socialisation, which in turn relate to consumption patterns and preferences in store choice. The results of their study indicated that older shoppers were influenced by the reputation of retailers in their spending patterns. This can be the result of previous experience and shopping habits that formed over time. Older shoppers had time to form definite opinions and preferences for some retailers.

Younger consumers often patronise shopping centres with the explicit goal of socialising. Arslan, Sezer and Isigicok (2010:178) maintain that young people should not be ignored as patrons of shopping centres. They form a powerful consumer-spending group, and are often opinion leaders amongst their peers. The research that Arslan *et al.* (2010:185) conducted, revealed that physical factors, like the size of the shopping centre, accessibility, social factors, safety and leisure activities*, inter alia*, are important for young consumers' in their shopping centre choice.

Jackson *et al.* (2011:7) determined that the value that different age groups derive from visiting the shopping centre is similar, however they might differ in their attitudes to the shopping environment. This implies that the developers and marketers of shopping centres should concentrate on ensuring a positive attitude to the various shopping centres' attributes. Dennis *et al*. (2001) also reported that food facilities were more important for older shoppers who we might expect to shop at a slower pace as the younger patrons and take more refreshment breaks.

According to Hart *et al*. (2007:593) one of the biggest differences between genders is the lack of patients on the part of men, and the desire to shop more frequently on the part of woman. The researchers therefore argue that woman who enjoy shopping, would re-patronise a shopping centre more for the opportunity it provides to spend more time shopping, visit more shops or to shop more often. Men who are more utilitarian in nature regard shopping as a practical solution to a problem and would be unlikely to prolong the shopping experience. This argument of Hart *et al.* (2007) is consistent with gender role theory as proposed by researchers such as Severiens and Ten Dam (1998).

According to Neal *et al.* (2006:397), males have different needs and expectations in terms of retail outlets; and men have an aversion to crowding; and therefore, they would usually prefer to shop at hours when the stores are less crowded. Research by Raajpoot, Sharma and Chebat (2008:8) indicate some significant differences between the behaviour of men and woman in the shopping centre environment. Their findings indicated that men regard employee behaviour as being more important in evaluating their experiences. Women associate a superior shopping experience with good product assortment and good access to the shopping centre. Jackson, Stoel and Brantley (2011:7) suggest that the genders differ in their attitude towards entertainment, as well as hygiene factors (atmosphere, cleanliness, safety, decor and courtesy of personnel) in a shopping centre. Female shoppers had the highest score on their attitudes in evaluating these factors.

However North and Kotze (2004) are of the opinion that the new social order brought about by the post-apartheid era in South Africa after 1994 has resulted in numerous changes. Special emphasis has been placed on the role of women resulting in more women being employed in prominent positions in the political and business environment for example. They also propose that the effect of dual income families has affected the shopping behaviour of various members or the family. Men, in many family households, act as the purchasing agent with the result that men are more exposed to shopping and visiting shopping centres. The result of their research also confirmed that there were no differences, for instance, between male and female shoppers and the perceptions of the general atmosphere of the shopping centre under investigation. Hart *et al.* (2007), agree with this and has also determined that this could raise potential issues for shopping centre management.

Marketing in a shopping centre may be predisposed to ensuring that women enjoy their shopping experience and may target advertising and promotional activities more towards women rather than towards men. However, Hart *et al.* (2007) states that the same level of activity directed towards men could pay greater dividends in terms of re-patronage. Hart *et al.* (2007) tried to explain this by speculating that the possible changes in the definition of traditional shopping roles could account for the unexpected results of gender-based re-patronage intentions. Severiens and Ten Dam (1998) speculate that the approaches of men and women to shopping are changing possibly due to the socialisation aspect of the shopping activity.

In the study by Ou *et al*. (2006:228) this notion was confirmed. Gender had no influence on any of the dependent variables like shopping expenditure, travel time and patronage frequency. The reputation of the retailers was also not more important to one gender than the other.

The view of North and Kotze (2004) and Ou *et al.* (2006) is not new as Severiens and Ten Dam (1998) also suggested that the shopping approaches of males and females are changing due to the socialisation aspect of the shopping activity. Further reasons may be the generation gap, as younger male shoppers are more accustomed to shopping and seem to gain more enjoyment (Minahan and Beverland, 2005). It could also be that the gender roles associated with men for instance when shopping could be outdated or incorrect (Stern, 1999). Hart *et al.* (2007) also did not find support for gender differences as expected.

Thus, while earlier work confirm the existence of well- defined gender roles, more recent work appears to refute these roles and appears to be more in favour of relaxed gender roles (Otnes & Mcgrath, 2001; Hart *et al*., 2007). Hart *et al*. (2007) suggested that as gender roles are blurring it is essential to also investigate other aspects such as travel distance.

5.4.2 <u>Travelling to shopping centres</u>

According to Berman and Evans (2013:292), pedestrians, as well as vehicular traffic, are important considerations in site evaluation when a new shopping centre is planned. Traffic counts of the amount of vehicles passing by, as well as the extent and timing of congestion should be recorded. Further to this, there is the distance or range that someone would be willing to travel to support a particular centre. Travel time to a shopping destination is often viewed as the outcome of the trade-off between total costs of travelling to the shopping destination and benefits derived from the attractiveness of the destination (Ou *et al.,* 2006:223). This view is supported by Grewal, Kopalle, Marmorstein and Roggeveen, (2012:438) whom state that the distance that a potential consumer will travel to a particular retail outlet depends on the drawing power that the outlet has for the consumer and the consumers' needs for the specific merchandise it offers.

Location is frequently cited as the most essential factor in the success of a retail outlet. If a retail location offers easy access and proximity to a consumer, it might well be supported by the consumer. The size and variety of the goods on offer would offset the distance and time travelled to the shopping centre (Grewal *et al*., 2012:442).

With increased car ownership customers are prepared to travel longer distances to patronage shopping centres where then retail mix is attractive, rather than making shopping centre choice based on the nearest location (Dennis, Marsland & Crockett, 2002), thus suggesting that the ease of travel to and from a shopping centre could play a role in the shopping decision- making.

Grewal *et al.* (2012:443) investigated the time spent travelling to a retail outlet offset against prices and the availability of merchandise. The researchers concluded that consumers would be willing to spend extra time travelling to less convenient locations – if they were assured that the merchandise they are looking for would be available. This view is in line with the convenience factor that a shopping centre should offer.

Other factors related to the distance are the ease with which the shopping centre can be reached in terms of traffic jams, the travel frequencies of trains or buses, as well as road works (Grewal *et al*., 2012:439).

When all other factors for selecting a shopping destination are equal, Ou *et al*. (2006:223) argue that the shopping centre of choice would be the one where the least travel time is needed. Time travelled to a shopping destination is measured in terms of effort, both physical and psychological. The researcher believes that travel time has a negative effect on utility and choice of a shopping destination. Darley and Lim (1999) in Ou *et al.* (2006:224) state that by enhancing store attractiveness, the negative impact of travel time can be negated. Ou *et al.* (2006:224) hypothesised that "... as consumers perceived reputation of the retailer becomes more favourable, the travel time to store will increase". The results of their research indicated that this hypothesis only held true for older consumers, and was explained by the notion that older consumers might have more time at their disposal to travel to shopping destinations that are out of their normal shopping zone.

Dennis *et al.* (2001:6) also reported differences in the importance of various shopping centre attributes and the importance of shoppers travelling with public transport vs. their own private cars. For example shoppers travelling by public transport are more likely to appreciate free seating areas, whereas shoppers travelling with their own cars prefer to relax in restaurants. The general layout and choice of major stores were also more important for shoppers travelling by own transport.

5.4.3 Frequencies of shopping centre visits

Previous research indicated that there is a probability that if a shopping destination has a favourable reputation; shoppers would increase their shopping trips to that destination (Darley and Lim, 1999 in Ou *et al*., 2006).

Ou *et al.* (2006:224) hypothesised that "...there is a positive relationship between consumers' perceived reputation of the retailer and store patronage frequency". The results of this study indicated that there is no evidence to support the notion that a favourable reputation of the retailer would lead to more frequent shopping trips. However there is evidence that the more frequently shopping trips are undertaken, the less money is expended per trip.

5.5 CONCLUSION

The purpose of this study is to determine the shopping centre patronage and shopping behaviour of black consumers regarding the Riverside Mall. The previous chapters contained a literature review, which provided the theoretical foundation for the study, and focused on the concepts of shopping centres, retail marketing strategy, as well as consumer behaviour models and the consumer decision-making process, while this chapter focussed specifically on shopping patronage and behaviour.

The various attractiveness attributes of tenant mix, entertainment, service, physical facilities, convenience and atmosphere were discussed. These elements covered all the attributes that is included in the questionnaire that is used in this study. Further to this, the added elements of demographics, travel time and frequency of visits were discussed and the importance alluded to.

The next chapter will be committed to the discussion of the research methodology with specific reference to the problem statement, the hypothesis, as well as the methods and instruments used for the study.

CHAPTER 6

RESEARCH METHODOLOGY

6.1 INTRODUCTION

The purpose of this study is to determine black consumers' shopping centre patronage and more specifically their perceptions regarding the shopping centre attractiveness of the Riverside Mall. The previous chapters contained a literature review, which provided the theoretical foundation for the study, and focused on the concepts of shopping centres, retail marketing strategy, consumer behaviour and shopping centre patronage.

In this chapter the focus will be on the research design and methodology of the empirical phases of this study. The chapter will start with a description of the marketing research process that will include the objectives and hypotheses of the study as well as the data collection. Thereafter an explanation of the sampling method, as well as the questionnaire design; and the rationale for the methods used will be elucidated. The last section will examine the statistical techniques and procedures used to analyse the data.

Marketing research has been defined by many authors; however, the definition provided by the American Marketing Association (Aaker, Kumar, Day & Leone, 2011:10) is a good summary of the essence of marketing research*: "Marketing research specifies the information required to address the issues, [to] design the method for collecting information, [to] manage and implement the data-collection process, [to] analyze, and communicate the findings and their implications".*

Management needs information about internal and external factors that could have any possible influence on the operations of an organisation. Marketing research provides a link between the organisation and the consumer; and it can provide the information needed (Wiid & Diggines, 2009:3).

McDaniel and Gates (2002:6) refer to the importance of marketing research by pointing out three important roles that marketing research fulfils, namely: a descriptive function when research helps in collecting important factual information; a diagnostic function that attempts to explain certain actions or data; and a predictive function to assist the company by exploring opportunities in the marketplace. McDaniel and Gates (2002:8) furthermore argue that consumers are demanding value for money in product quality, and companies adopt a return-on-quality approach to the market – where the quality delivered matches the quality demanded by the consumers; and added quality should have a positive impact on productivity. Research assists organisations in determining the types and forms of quality for which the consumers are searching.

McDaniel and Gates (2002:8) explain that when research on the end-consumer is undertaken, as one of the focus areas of marketing research, the gathering, recording and analysis of facts about problems relating to final households is then termed 'consumer research'. In order for companies to gain a better understanding of the dynamic environment, to identify problems and opportunities, and to develop and evaluate a marketing strategy to reach existing and potential consumers, studies of consumer research should be undertaken. According to the authors, research relating to consumer decision-making focuses on the analysis of purchase motives, needs, buying habits, attitudes to brands, perceptions of organisations, as well as cultural and social influences.

The next section will highlight the steps that were followed in the research process.

6.2 THE MARKETING RESEARCH PROCESS

According to Cooper and Schindler (2003:6), the study of research methodology provides people with the knowledge and skills needed to solve problems and to meet the challenges in fast-paced decision-making environments. Iacobucci and Churchill (2010:29) propose that the uniqueness of research problems necessitates a project strategy approach founded on the basic steps in the research process. Figure 6.1 depicts the process and steps that are followed in this study, and also serves as a visual guide for the rest of the chapter.

FIGURE 6.1: THE RESEARCH PROCESS

STEP 1: Identify and define the marketing research problem (Chapter 1 & Chapter 6, Section 6.3)

STEP 2: Determine the research objectives and set hypotheses (Chapter 1 & Chapter 6, Section 6.4)

STEP 3: Determine information sources
- Literature review (Chapters 2, 3, 4 & 5)

STEP 4: Select primary research method
- Qualitative: Focus groups and personal interviews (Chapter 6, Section 6.5.1)
- Quantitative: Intercept survey (Chapter 6, Section 6.5.2)

STEP 5: Design the data-collection tool
- Questionnaire design (Chapter 6, Section 6.6)
- Pre-testing (Chapter 6, Section 6.6.1.)
- Validity and reliability (Chapter 6, Section 6.6.2)
- Errors (Chapter 6, Section 6.6.3)

STEP 6: Design the sample plan
- Sample population (Chapter 1 & Chapter 6, Section 6.7.1)
- Sample frame and sample unit (Chapter 1 & Chapter 6, Section 6.7.2)
- Sampling method (Chapter 1 & Chapter 6, Section 6.7.3)
- Sample size (Chapter 1 & Chapter 6, Section 6.7.4)

STEP 7: Collect the primary data (Chapter 1 & Chapter 6, Section 6.8)

STEP 8: Prepare and process the data
- Validation of data (Chapter 6, Section 6.9.1)
- Editing (Chapter 6, Section 6.9.2)
- Coding (Chapter 6, Section 6.9.3)
- Data cleaning and storing (Chapter 6, Section 6.9.4)

STEP 9: Analyse the data (Chapter 1, Chapter 6, Section 6.11 & Chapter 7)

STEP 10: Report the research findings (Chapter 7 & Chapter 8)

Source: Adapted from Wiid and Diggines (2009:30)

6.3 IDENTIFY AND DEFINE THE MARKETING RESEARCH PROBLEM (STEP 1)

Shopping centres have become increasingly popular destinations for entertaining, recreation as well as purchasing activities. The growth in the number of shopping centres in South Africa, as well the number of refurbished centres bears testimony to a nation that is shopping centre ready. A great deal of this new patronage for shopping centres is the up-and-coming black middle class. The so called ‘black diamonds’, as they were called by UCT Unilever, have shown exponential growth over the last ten years (van Aardt, 2011:24).

According to Petzer and de Meyer (2013:383) the higher disposable income in the hands of the black up-and-coming professionals has resulted in a profitable target market that is eager for products and services that was previously almost exclusively only available to white consumers, this has increased the demand for motor vehicles, furniture, media, clothing, property and cell phones. A report by Thomas White Global Investing (2011) shows that the top priority, for this group, is the need to buy a new home, and move out of townships into more affluent neighbourhoods. Dardagan (2005) argues that the black middle class shows a confidence in the future of South Africa that is evident in their buying behaviour trends.

Numerous shopping centre attractiveness studies have been done over the past 40-50 years by various researchers in various countries. Some of the leading studies on shopping centre attractiveness used in this study were conducted by Wong *et al.* (2001), Sit *et al.* (2003); and El-Adly (2007). In South Africa a study was conducted by North and Kotze (2004) on shopping centre attractiveness; however, no studies on shopping centre attractiveness for black African consumers have been found.

Although consumer needs and preferences have many commonalities, the influence of culture, values, lifestyle, language, religion and educational levels cannot be ignored, and should be considered when making decisions from the planning and development phase right through to the marketing of the shopping centre and individual outlets (Rousseau, 2007a:59). The heterogeneous, multi-cultural realities of the current South African consumer base stress the need for marketers to move closer to consumers, and to be sensitive to the needs and preferences of all ethnic groups in South Africa and adapt their marketing strategies accordingly (Petzer & de Meyer, 2013:383; Rousseau, 2007a:59). The cultural differences filter through all levels of the socio economic hierarchy in the South African market, therefore when marketers are developing marketing strategies, the socio economic factors as well as the cultural differences needs to be factored in (Petzer & de Meyer, 2013:384).

An extensive search to find recent studies that dealt with the shopping behaviour of a specific ethnic group or groups within the South African context could not be located. Previous studies by North and Kotze (2004), and some international researchers such as El-Adly (2007), Wong *et al.* (2001) and Sit *et al*. (2003), focused on shoppers in general and did not segment shoppers based on ethnical differences. Researchers who investigated ethnical differences in shopping behaviour in a shopping centre environment, include Allard, Babin and Chebat (2009); Ooi and Sim (2007); Jin and Sternquist (2004); and Kim and Kim (2005). However, as stated in North and Kotze (2004:32, 38), there is a need in South Africa to learn more about the shopping behaviour of consumers from black and other ethnic groups.

South Africa is a county where diversity is a part of life. The country consists of many urban, suburban and rural areas. Retail provision, in the form of shopping centres, has in the past, been focused mainly on big metropolitan areas, whereas small towns and rural areas were served by retail shops in the towns' centres, as well as informal trading in the rural areas (Cloete & Skinner, 2010:50). Shopping centres are becoming a viable retail option for the many consumers who were previously only supporting small retailers and informal traders. Furthermore, retail growth and development have the potential to impact job creation, skills development, and social responsibility, as well as consumers' standard of living (Anon., 2013). The black middle class has, post-apartheid, 1994, been growing at an exponential rate and predictions for future growth, as well as fierce competition in the market, is providing new and unique challenges for the retail industry.
According to Berman and Evans (2013:33), retailing is facing complex challenges. The weak economy, changing needs, and the demands of consumers, in addition to the

changing demographics, fierce competition from other retail options, as well as the changing face of the internet, are providing retailers with an assortment of opportunities – with challenges.

Many more shopping centres are being planned for the next five to ten years, and these will be creating fierce competition (Anon., 2013). At the moment, the growing numbers of young black middle-class consumers are starting to outweigh the traditional shoppers in retail outlets such as Riverside Mall where the current target market indications are that 54% of the shoppers are from the black race group (Riverside Mall, 2012). Migration from the townships into the suburbs of Nelspruit has led to changes in the needs and demands of the previously disadvantaged consumers. A typical consumer at the Riverside shopping centre falls within the LSM 8 group. The shopping centre's trade area also includes Mozambique, as well as Swaziland, which provides a unique perspective on the culture and lifestyle of the shoppers in the centre (Riverside Mall, 2012).

Frasquet, Gil and Molle (2001) state that while the literature on store choice is quite extensive, the application to shopping centre choice is not as numerous. In the South Africa context little research could be found to investigating shopping centre patronage and shopping centre attractiveness. The only academic studies in the field of shopping centre attractiveness in South Africa were conducted in the Gauteng province (North and Kotze, 2004).

This study will focus on a suburban centre, which will provide information on shoppers in a specific geographical area. This lack of research, the challenging retailer environment and changes in the South Africa landscape after 1994 require a thorough understanding of the shopping centre patronage. Insight into consumers' shopping centre patronage and behaviour can assist management and marketers of shopping centres to manage these centres more effectively, to more clearly position themselves in the market, and to promote the shopping centre in such a way that the overall image of the centre would thereby be enhanced.
The dramatic changes that have been taking place on the political and social fronts in South Africa since 1994 require a thorough understanding of the tastes and preferences of

consumers from all cultural backgrounds in the country. The need for research in this field is therefore evident.

The next section will investigate the objectives set for this study, as well as the hypotheses formulated.

6.4 DETERMINING RESEARCH OBJECTIVES AND SETTING THE HYPOTHESES (STEP 2)

According to Berndt and Petzer (2011:28), a research objective is based on the research problem; and it provides focus and direction to the study. Objectives, furthermore, provide a benchmark for the measurement of the results of the research. Secondary objectives are linked to the primary objective of the study, and should contain the detail associated with the primary objective.

Therefore the primary objective of this study is to determine the attractiveness of the Riverside Mall, a shopping centre in Nelspruit, a city in the Mpumalanga province of South Africa. Secondary to this, the study also attempts to investigate consumers shopping patronage behaviour as evident in distance travelled to the centre, mode of transport and patronage frequency.

The secondary objectives of the study are:

- To describe the demographical profile of respondents.
- To determine which modes of transport are used by shoppers when visiting the shopping centre.
- To determine the distance travelled to the shopping centre.
- To determine the frequency of visits to the shopping centre.
- To determine the overall attractiveness of the shopping centre.
- To determine if subgroups / factors exist among the shopping centre attributes.
- To determine if there are significant demographical (gender and age) and patronage behaviour (distance travelled and frequency of visits) differences and the shoppers' perceptions of the attractiveness of the shopping centre.

- To determine the effect of the various shopping centre attractiveness attributes/factors (predictor variables) on the overall attractiveness of the shopping centre.

Based on these objectives, the following hypotheses are set.

6.4.1 <u>The hypotheses</u>

According to Wiid and Diggines (2009:49), a marketing problem can be set as a question or as an assumption. The hypothesis is useful for setting boundaries to the research problem; it can specify the data that need to be collected; and it can structure and direct the research process.

An alternative hypothesis can be directional (one-tailed), which implies the possible existence of a difference, as well as the direction of the expected difference. When a hypothesis only assumes a difference without any *a priori* expectation as to the direction of the difference, it is called an exploratory non-directional hypothesis – or a two-tailed hypothesis (Diamantopoulos & Schlegelmilch, 2000:133).

For the purpose of this study, the researcher has formulated non-directional two-tailed hypotheses.

Hypotheses 1 and 2: Shopping centre attractiveness and gender

Retail image or shopping centre attractiveness has been the focus of many research studies, amongst others, El-Adly (2007) and Wong *et al.* (2001). Wakefield and Baker (1998:531) explain that consumers' earliest inkling and original level of excitement is mostly generated by the physical environment to which they are exposed. Wakefield and Baker (1998:531) found that one of the strongest excitement factors in a shopping centre was the architectural design.
Wong *et al*. (2001:84) focus on the need for proper facilities, such as adequate parking facilities, well-designed and well-appointed entrances, resting seats, layout, store

atmosphere, as well as vertical transportation (escalators and lifts). Thus making customers comfortable is important, according (El-Adly, 2007:946).

The need for refurbishment due to physical deterioration, changing consumer and tenant requirements can lead to physical changes in the building and access. The design of the centre may also be dated; and the centre might be lacking atmosphere. This should be changed, in order to keep the centre appealing and fresh for the consumer. According to Kirkup and Rafiq (1999:122), shopping centres need to constantly access their situation and adapt and change in response to any new developments in the environment.

However, the study of shopping centre image focuses on a range of attributes that encompass the totality of the centre, and are not just functions of buildings and stores. Earlier studies of shopping centre image have mainly focused on four key attributes, namely: merchandising, ease of access, services and atmospherics (Lindquist, in Sit *et al.,* 2003:81). More recent studies also focus on entertainment, food and security – as shopping centre image attributes (Sit *et al.*, 2003:83; Kim & Kim; 2007 and El-Adly, 2007:941).

As mentioned in Chapter 4 and 5, in most cultures, men and woman are expected to conform to expected behaviour in their own cultures. However, previous research indicated that the consumption patterns of male and female consumers differ significantly; and researchers are using gender to differentiate between the choices and behaviours of consumers. According to Neal *et al.* (2006:397) males have different needs and expectations in terms of retail outlets and Raajpoot, Sharma and Chebat (2008:8) also reported significant differences between the behaviour of men and woman in the shopping centre environment. Furthermore Jackson, Stoel and Brantley (2011:7) suggest that the genders differ in their attitude towards entertainment, hedonistic shopping value derived from shopping, as well as hygiene factors (atmosphere, cleanliness, safety, decor and courtesy of personnel) in a shopping centre.
North and Kotze (2004) are however of the opinion that the new social order brought about by the post-apartheid era in South Africa after 1994 has resulted in numerous changes. Special emphasis has been placed on the role of women, resulting in more women in

prominent positions in the political and business environment. They also propose that the effect of dual income families has affected the shopping behaviour of various members of the family. Men, for example, in many family households, act as the purchasing agent with the result that they are more exposed to shopping and visiting shopping centres. Some of the research results from North and Kotze (2004) also confirmed that there were no differences between male and female shoppers and their perceptions of the general atmosphere of the shopping centre. This view of North and Kotze (2004) is not new as Severiens and Ten Dam (1998) also suggested that the shopping approaches of males and females are changing due to the socialisation aspect of the shopping activity. Further reasons cited, may be the generation gap, as younger male shoppers are more accustomed to shopping and seem to gain more enjoyment (Minahan and Beverland, 2005). It is possible that the gender roles associated with men, for instance, when shopping, could be outdated or incorrect (Stern, 1999). Hart *et al.,* (2007) also did not find support for their gender difference as expected.

Hence, while earlier work confirm the existence of well- defined gender roles, more recent work appears to refute these roles and appears to be more in favour of relaxed gender roles (Otnes & Mcgrath, 2001; Hart *et al*., 2007). Therefore, although there are theoretical reasons to expect that females may experience shopping differently than men, more recent findings would contest this theory. The following is therefore hypothesised:

H_0: Male and female shoppers' perceptions do not differ regarding the overall attractiveness of the shopping centre.

H_1: Male and female shoppers' perceptions differ regarding the overall attractiveness of the shopping centre.

Hypothesis 1 is a hypothesis concerning the difference between two groups; and it can be classified as a non-directional hypothesis, which is also known as a two-tailed or an exploratory hypothesis. The construct of gender is measured by using a dichotomous multiple-choice single-response question with the options "male" or "female" (Question 6 in the questionnaire), while the overall attractiveness of the shopping centre factors are measured against a Likert rating scale (Question 3 in the questionnaire). (Refer to Appendix A for an example of the questionnaire.)

It is further hypothesised that:

H_0: **Male and female shoppers do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

H_2: **Male and female shoppers differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

The non-directional hypothesis 2 is concerned with the difference between two groups. The construct of gender is measured by using a dichotomous multiple-choice single-response question with the options "male" or "female" (Question 6 in the questionnaire), while the perception on the shopping centre attributes are measured against a 6-point Likert rating scale (Question 2, V3-V22). These attributes will be clustered together, based on the outcome of the factor analysis that will be conducted.

Hypotheses 3 and 4: Shopping centre attractiveness and age groups

As mentioned in Section 5.4.1 younger consumers often patronise shopping centres with the explicit goal of socialising. The research that Arslan *et al.* (2010:185) conducted revealed that physical factors, like the size of the shopping centre, accessibility, social factors, safety and leisure activities*, inter alia*, are important for young consumers' in their shopping centre choice.

Jackson *et al.* (2011:7) determined that the value that different age groups derive from visiting the shopping centre is similar however they might differ in their attitudes to the shopping environment. Research conducted by Seock and Sauls (2008:481) indicates that younger adult consumers have more shopping confidence than teenagers, and that older (above 30 years) respondents showed significantly more planned shopping tendencies than younger age groups. It is therefore hypothesised that:

H_0: Shoppers of different age categories perceptions do not differ regarding the overall attractiveness of the shopping centre.

H_3: Shoppers of different age categories perceptions differ regarding the overall attractiveness of the shopping centre.

H_0: Shoppers of different age categories do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

H_4: Shoppers of different age categories differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

Hypotheses 3 and 4 are non-directional hypotheses concerning the difference between three groups. The construct of age is measured by using an open-ended response question (Question 7 in the questionnaire), and are grouped into three groups (18-25; 26-40 and 41+). The perception on the attractiveness factors of the shopping centre are measured with a 6-point Likert rating scale (Question 2, V3-V22). Overall attractiveness is measured on a 10-point Likert scale in Question 3.

Hypotheses 5 and 6: Shopping centre attractiveness and frequency of visits

The frequency of visits by shoppers to a shopping centre has a direct impact on the sales of the shopping centre. The prediction of shopping centre and store patronage relates to factors of a personal nature (demographics and attitude), as well as market- and product-related factors. According to Pan and Zinkham (2006:229), attributes – such as store image, store attitude and gender – can be used to predict shopping frequency.

The researchers further comment that certain demographic variables (age and income) have little or no use as predictors of shopping frequency. The only demographic variable that can be used as a predictor of shopping visits is gender. This suggests that men are less inclined to shop; and therefore woman are the more frequent shoppers. Specific stores in a shopping centre would be more frequented if the market- and product-related factors were attractive to the consumer.

Dennis (2005:54) argues that the expectations that consumers hold of what would constitute an attractive centre, are based on personal choice. This expectation forms the basis for evaluating centres in overlapping catchment areas. Consumers would frequent shopping centres that closely match their expectations. Pan and Zinkham (2006:226) postulate that even though retailers use various strategies to entice consumers to visit their retail establishments, shopping frequency happens because of the free will of consumers. Previous research indicated that there is a probability that if a shopping destination has a favourable reputation; shoppers would increase their shopping trips to that destination (Darley and Lim, 1999 in Ou *et al.*, 2006). Thus, shoppers might increase their visits to shopping centres if they find the centre attractive. Therefore, it is hypothesised that:

H_0: **Shoppers visiting the shopping centre at different intervals perceptions do not differ regarding the overall attractiveness of the shopping centre.**

H_5: **Shoppers visiting the shopping centre at different intervals perceptions differ regarding the overall attractiveness of the shopping centre.**

H_0: **Shoppers visiting the shopping centre at different intervals do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

H_6: **Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

Hypotheses 5 and 6 are hypotheses concerning the difference between three groups; and it can be classified as non-directional hypothesis. The perception of the attractiveness of the shopping centre is measured by Question 2 (V3 -V22) by means of a 6-point Likert rating scale. The frequency of visits is measured by using a multiple-choice single-response question (Question 1 in the questionnaire), and are grouped into three groups (weekly, monthly and 3 monthly or less). Overall attractiveness (Question 3) is measured on a 10-point Likert scale.

Hypotheses 7 and 8: Attractiveness factors and distance travelled

The cost of shopping relates not only to the costs of products and services; but it also includes intangible costs like the time spent and the psychic effort. The distance travelled to the shopping centre would be included in this cost (Teller, Kotzab & Grant, 2012:60). In addition, consumers would seek convenience in their shopping orientation (Pan & Zinkhan, 2006:229). The convenience that consumers seek would relate *inter alia* to location, parking facilities and store hours.

The one-stop wide variety of goods, services and entertainment that a shopping centre provides is generally accepted as one of the most important advantages of a shopping centre. This, in addition to the advantage of proximal location, would be beneficial in saving the consumer time. However, competition between shopping centres is on the increase – mainly because of the similarities in offerings at the various shopping environments. Often shoppers will drive past less-attractive shopping centres to support centres with a greater perceived attractiveness (Kirkup & Rafiq, 1999; Raajpoot *et al.,* 2008).

As there is constant development in modern transportation, infrastructure and urbanisation, consumers are willing to travel distances to a shopping centre that offers some form of uniqueness (Rabbanee, Ramaseshan, Wu & Vindin, 2012:276).

Less convenient location and proximity for the consumer is often countered by keeping high levels of merchandise (Grewal, Kopalle, Marmorstein & Roggeveen, 2012:442). This view is supported by Suárez, del Bosque, Rodríguez-Poo & Moral (2004:127), who postulate that the more money a consumer is willing to spend at a store, the less sensitive the consumers will be to distance travelled to shopping centres. The attractiveness of a shopping centre in terms of the merchandise assortment and the variety offered would be the drawing card.

According to Pan and Zinkhan (2006:229), the time and effort expended would influence the consumers' perceptions of the service convenience of the centre. This was termed the law of retail gravitation in 1931 by Reilly. This implies that the potential attractiveness of a shopping centre would be inversely proportional to the distance that the shopper needs to travel to reach the shopping centre (Reilly, in Pan & Zinkhan, 2006:229). Therefore, we hypothesise the following:

H_0: **Shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre do not differ.**

H_7: **Shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre differ.**

H_0: **Shoppers travelling various distances to the shopping centre do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

H_8: **Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

Hypotheses 7 and 8 are hypotheses concerning the difference between three groups; and it can be classified as non-directional hypothesis. The construct of distance is measured by using an open-ended question (Question 4 in the questionnaire), and are grouped into 3 categories (0-20km; 21-40km and 41+ km) while the perception on the attractiveness factors of the shopping centre are measured with a 6-point Likert scale (Question 2, V3 – V22) in the questionnaire. Question 3 measures overall attractiveness on a 10-point Likert scale.

The next section will elaborate on the research methods used for this study.

6.5 SELECTION OF THE PRIMARY RESEARCH METHOD (STEP 4)

The research design provides a detailed scheme, and is the framework that expresses the marketing research efforts (Wiid & Diggines, 2009:32). Within this framework, the data collection takes place.

An extensive literature review of available secondary data was conducted in Chapters 2, 3 4 and 5. The information on South African, as well as global shopping centre development, marketing, trends and attractiveness was explored. According to Bless and Higson-Smith (2000:29), the objective of a thorough literature review is to hone and expand the theoretical framework of the research, and to then identify gaps and weaknesses in previous studies, in order to familiarise the researcher with the latest developments, as well as the field of study, and lastly, to discover new relationships, links and contradictions in the results of the study. The literature review consisted of research articles, textbooks on the subjects, internet searches and journals. The range of topics related to the development of shopping centres worldwide, retail-marketing strategies, retail-buying behaviour, consumer decision making, shopping centre patronage behaviour and shopping centre attractiveness.

Primary research methods can be classified into three broad categories of methods: qualitative research methods, quantitative methods and mixed (pluralistic) methods (Berndt & Petzer, 2011:45).

Qualitative research methods are exploratory in nature, and are used by the researcher to provide a better understanding of the research problem or the background to the research problem. Furthermore, it could also uncover underlying motives and ideas from respondents. Fewer respondents are involved; and the quality of the information is fundamental. Examples of this method are in-depth interviews, focus groups and projective techniques (Berndt & Petzer, 2011:45).

Quantitative research is described by Hair, Wolfinbarger, Ortinau and Bush (2008:81) as using formal questions and predetermined response options from a large number of respondents. The main objective of this type of research would be to validate facts and determine any relationships and estimates. This type of research is mainly descriptive in nature; and it uses large samples and statistical analysis. Examples of this method are surveys by mail, internet, telephone or personal interviews.

Mixed or pluralistic research methods use a combination of quantitative and qualitative research methods in one study. The pluralistic method design was used for this study. Qualitative data were gathered through interviews with shopping centre industry stakeholders, as well as focus group interviews with members from the identified population. The quantitative data were collected through questionnaires that were administered through a mall intercept survey in the designated shopping centre.

According to Berndt and Petzer (2011:50), a sequential combination is used when one method is used as an input into the second method. This was the approach used in this study as the focus group discussions and interviews (qualitative methods) served as an input for the quantitative method.

6.5.1 Qualitative methods: personal interviews and focus groups

The qualitative design was exploratory in nature. According to Iacobucci and Churchill (2010:60), the use of exploratory research can be to explore, explain, provide insight, clarify and establish priorities regarding the problem at hand.

The first part of the design of this study was unstructured interviews. These aimed to seek new insights and background information from the local experts in the field of shopping centre development and shopping centre marketing in South Africa. The interviews consisted of face-to-face interviews with respondents, where the subject matter was explored in detail (Aaker *et al.,* 2011:165). According to Hair *et al.* (2008:85), the advantage of this method lies in the rich detail and honest answers provided by the participants.

Three personal interviews were conducted with prominent members of the South African Council of Shopping Centres. A non-directive interview approach was followed, where the respondents were given the maximum freedom to respond, and to add to the topic of interest. The interviews were unstructured and provided flexibility that resulted in a pool of rich data that provided useful information. Topics that were covered in the interviews *inter alia* included shopping centre viability and development, buying behaviour, shopping centre marketing, tenant-mix decisions, and urban vs rural development. The sessions lasted approximately one and a half hours, and were tape-recorded with the permission of the respondents for later interpretation and transcribed. The interviews were conducted at the respondents' premises.

The focus groups were conducted in a central location. The aim of a focus group is to spark interactive spontaneous discussions (Hair *et al.*, 2008:85). According to Aaker *et al.* (2011:167), a focus group objective would be to obtain possible ideas or opinions on a specific topic of interest. The focus is on group interaction, and the stimulation of conversation. Three focus groups were conducted with between 6 and 10 respondents per group. The groups consisted of male and female respondents – all within the age group of 18-40. The respondents were chosen on the basis that they fit in the population that was identified in the study. These focus groups were held with black African respondents at the premises of the Tshwane University of Technology. All the respondents were familiar with the shopping centre used in the study. The researcher opted to use both the shopping centres in Nelspruit in the interviews; and she allowed the respondents to draw comparisons between the two. The reasoning behind this was that the two shopping centres are in many ways dissimilar, and could thus provide insights into different aspects that make a shopping centre attractive to the consumers.

An agenda was set and used to guide the discussion in the focus group. The researcher was present to introduce topics and to direct the discussion. The interviews lasted approximately one hour each. One observer who also fulfilled the role of scribe was present; and the interviews were recorded with the permission of the participants.

Both the personal interviews, as well as the focus groups data, were used as background information, in order to verify the relevance of the topics included in the questionnaire and resulted in minor adjustments to the input for questions in the questionnaire.

6.5.2 <u>The quantitative method: intercept survey</u>

The method that is used to collect the data through verbal or written communication from a large number of respondents is called a survey (Wiid & Diggines, 2009:106). This includes telephone surveys, mail surveys and personal surveys. The personal survey can be divided into door-to-door interviews, executive interviews, omnibus surveys, self-administered surveys and intercept surveys. An intercept survey is usually conducted in a central location such as a shopping centre. In this study, the topic involved a particular shopping centre; and for that purpose, a mall intercept survey was conducted.

There are many advantages associated with this method, *inter alia*, that the response rate is high, due to the amount of shoppers who fit the respondents' profile. An added advantage is the cost and time needed to collect the data. The main advantage in this survey was the fact that the research took place on the location of the topic of interest. The disadvantage of this method is the fact that shoppers are in a hurry, and simply cannot tolerate being interrupted in their shopping (Wiid & Diggines, 2009:114).

The quantitative design consisted of a structured questionnaire that had a descriptive focus. The objective was to determine the perceptions of black African consumers regarding the attractiveness of a shopping centre. The general purpose of descriptive research is to describe the characteristics of certain groups, to estimate the proportion of people who behave in a certain way, and to make certain predictions regarding future trends (Iacobucci & Churchill, 2010:84).

6.6 DESIGN OF THE DATA-COLLECTION TOOL: THE QUESTIONNAIRE (STEP 5)

A questionnaire is defined as "...*a set of questions designed to generate the data necessary to accomplish the objectives of the research project; it is a formalized schedule* *for collecting information from [the] respondents*" (McDaniel & Gates, 2002:352). According to Wiid and Diggines (2009:158), a good research measuring instrument is pivotal to the reliability and validity of the data collected in the research.

The benefits of using a questionnaire are sufficient to justify this method for the data collection. The standard wording and format used assist the interviewers in controlling the interview; and respondents are subjected to homogeneous questioning. The criteria for a good questionnaire lie in three critical points: the questionnaire should provide the necessary decision-making information; it should fit the respondent profile; and lastly, it should meet all the editing, coding and data-processing requirements (McDaniel & Gates, 2002:383).

After scrutinising all the available secondary data sources on attractiveness factors, and identifying Bellenger *et al.* (1977), El-Adly (2007), Frasquet *et al.* (2001), Ganesh *et al.* (2007), Hart *et al.* (2007), North and Kotze (2004), Sit *et al.* (2003) and Wong *et al.* (2001) as the most comprehensive authors on the subject, the structured questionnaire was developed. In order to generate the scale to measure shopping centre attractiveness, questionnaire items were adapted from previous work as reflected in Table 6.1.

Table 6.1: Attributes used in shopping centre studies

	Bellenger *et al.* (1977)	Ganesh *et al.* (2007)	Wong *et al.* (2001)	Sit *et al.* (2003)	Frasquet *et al.* (2001)	North and Kotze (2004)	El-Adly (2007)	Hart *et al.* (2007)	This study
Service quality	✓	✓	✓		✓	✓	✓	✓	✓
Owner Reputation			✓		✓				
Resting seats			✓			✓	✓		
Merchandise/store variety	✓	✓	✓	✓	✓	✓	✓	✓	✓
Merchandise/store quality		✓	✓		✓	✓	✓	✓	✓
Service variety		✓	✓					✓	✓
Vertical transportation			✓	✓	✓				
Store/general atmosphere	✓	✓	✓	✓	✓	✓		✓	✓
Special events/exhibits	✓		✓	✓	✓	✓	✓		✓
Food court / restaurants	✓	✓	✓	✓			✓	✓	
Entertainment	✓	✓		✓	✓	✓	✓		✓
Availability of supermarket / anchor store	✓		✓		✓		✓		
Layout/signage			✓	✓	✓	✓			✓
Sales promotion			✓		✓		✓		
Late/ convenient hours	✓	✓	✓	✓		✓	✓	✓	✓
Adequate and well designed entrances			✓	✓	✓				
Parking facilities		✓	✓	✓	✓	✓	✓	✓	✓
General price level			✓		✓	✓	✓		
Uniqueness			✓			✓			
Fashion			✓		✓				
Located at retailing belt			✓					✓	
Convenient location / accessibility	✓	✓	✓	✓	✓	✓	✓	✓	✓
Attractiveness of centre							✓	✓	✓
Cleanliness of centre/restrooms		✓		✓		✓	✓	✓	✓
Safety and security	✓	✓		✓	✓	✓	✓	✓	✓
Emergency services/info desk				✓		✓			✓
Friendliness of staff		✓		✓				✓	
Mall width/spaciousness							✓		✓
Loyalty programs							✓		
Popularity of the mall							✓		
Facilities for disabled people						✓			✓

Wong *et al.* (2001) used Churchill's (1979) work and the modification thereof by Smith (1999), to develop a shopping centre attractiveness (SCATTR) instrument to assess the attractiveness of joint venture shopping centres (JVSCs). The SCATTR scale described shopping centre attractiveness by defining 21 attributes over five dimensions. In testing this instrument, Wong *et al.* (2001) concluded that SCATTR is a valid and reliable tool for assessing the performance of a shopping centre, based on the perceived attractiveness of the centre to the consumers. Wong *et al.* (2001:76) developed the SCATTR instrument to assess the attractiveness of shopping centres in China. The first stage of the SCATTR study used previous research from Nevin and Houston, as well as that of Ghosh (in Wong *et al.*, 2001:80-83) by omitting some of the attributes from the model of Nevin and Houston, and adding new attributes.

Table 6.2 provides a summary of the attributes and dimensions covered in the survey instrument SCATTR that Wong *et al*. (2001) developed.

TABLE 6.2: SCATTR INSTRUMENT

DIMENSION	ATTRIBUTE
Location	Convenient location Located at retail belt
Quality and variety	Owner's reputation Merchandise quality Service quality Merchandise variety Service variety General price level
Popularity	Uniqueness Fashion
Facilities	Parking facilities Adequate and well-designed entrances Vertical transportation Store atmosphere Layout Resting seats
Sales incentives	Availability of supermarket Sales promotion Food court Special event / exhibits Late closing hours

Source: Wong *et al.* (2001)

According to Sit *et al.* (2003), a review of retailing literature revealed four dominant attribute dimensions in shopping centre image (attractiveness) studies, namely merchandising, accessibility, service and atmospherics. These authors state, however, that the aforementioned 'big four' attributes neglect three other attribute types, namely: entertainment, food and security. Sit *et al.* (2003) studied shoppers in regional and sub-regional shopping centres in Queensland Australia. After extensive focus group interviews, Sit *et al.* (2003:81) developed an instrument, which included 39 attributes grouped into 11 dimensions. These dimensions included: merchandising, macro-accessibility, micro- accessibility, personal services, amenities, ambulance, atmospherics, speciality entertainment, special event entertainment, food and security.

El-Adly (2007:936) studied shoppers in a United Arab Emirates shopping centre. He based his research on studies related to retail patronage, shopping centre attractiveness and image, conducted by Wakefield and Baker (1998), Wong *et al.* (2001), Ibrahim and Ng, (2003) and Sit *et al.* (2003). El-Adly (2007:940) addressed 26 shopping centre attractiveness attributes that was scaled on a 5-point ranking scale. A section on demographics and behavioural variables were also added to the questionnaire. After principle component factor analysis on the 26 attributes was performed, six factors were identified. These factors were: comfort, entertainment, diversity, mall essence, convenience and luxury. El-Adly (2007:945) concluded that three of the factors that he identified, 'comfort', 'mall essence' and 'convenience', were consistent with the findings of Wong *et al.* (2001). The factors of 'comfort' and 'convenience' were similar to the findings of 'quality of the centre' and 'convenience', identified by Bellenger *et al.* (1977) as well as 'atmosphere leisure' and 'accessibility' factors explored by Fasquet *et al.* (2001).

Hart *et al. (*2007) adapted items from previous work such as Sit *et al.* (2003) and Wakefield and Baker (1998) by including 16 original items in their questionnaire to determine shopping centre attractiveness. The authors later removed factors such as 'selling fashionable items' and 'crowding' after conducting a factor analysis. This resulted in only 14 attractiveness attributes, measured on a 5 point Likert scale, while the general enjoyment or overall attractiveness was measured by using a 10 point scale. Hart *et al.* (2007*)* reported four dimensions or factors namely: accessibility, atmosphere, environment and personnel. Hart *et al.* (2007) however highlighted the limitation of this study by only focusing on 14 attributes and suggested that other attributes such as entertainment and quantity and quality of stores should be included in further studies investigating shopping centre attractiveness.

North and Kotze (2004) adapted the SCATTR questionnaire of Wong *et al*. (2001) for the South African context. The final instrument that they used contained 20 variables. North and Kotzé (2004) adapted the SCATTR scale by including, inter alia, the variety of stores and décor as additional attributes. The focus on the crime rate in South Africa necessitated the inclusion of an item on security; other items that were included all related to accessibility, hygiene and way-finding. This instrument had a 0.9 Cronbach alpha for internal consistency.

Items from the above mentioned previous studies were selected based on their relevance to the Riverside Mall regional shopping centre, as a whole, as opposed to describing characteristics of individual stores as these items are within the shopping centre managers' control. For example items identified by Wong *et al*. (2001) such as 'fashion' and 'price' were more relevant to individual stores and therefore omitted. A question on price levels as evident in North and Kotze (2004) for example was omitted; and a question on the spaciousness of the shopping centre was included. The reasoning behind this was the fact that crowing was identified by the focus groups as a very important issue and that pricing was regarded by the respondents as fixed by the retailers, and that the shopping centre as such did not have any influence on pricing. The shopping centre also has a tenant mix ranging from low priced to high-end retailers. The results of the focus group discussions and pre-testing were also used to ensure that the questionnaire reflected the South African context.

Shoppers are usually in a hurry; and a questionnaire should be short to encourage participation. To identify the respondents and qualify them as part of our population, screening was done. A respondent had to be African, and above the age of 18. Additional screening was used to ensure a representative sample – by using age and gender quotas.

The objectives of the study were taken into account. The main purpose of this study was to determine black consumers' shopping centre patronage and more specifically their perceptions regarding the shopping centre attractiveness of the Riverside Mall. The 21 attractiveness variables were presented in question 2 of the questionnaire. The appropriate measuring scale identified was a 6-point Likert scale. A Likert-scale consists of statements that express either a favourable or an unfavourable attitude to an object. The options ranged from 1, representing “strongly disagree”, to 6 representing “strongly agree”.

These statements are assigned a numerical value reflecting the degree of attitudinal favourableness. This scale produces interval data. The motivation for using this form of questions was that rating scales are often used to obtain opinion data; and they are regarded as a recognised attitude-measurement technique (Dillon, Madden & Fritle, 1994:314). According to Berndt and Petzer (2011:191), a 6-point scale is the appropriate length for a scale measuring opinions and feelings, because consumer feelings and opinions often cannot be clearly distinguished in a shorter scale. This scale also does not provide a middle category. Berndt and Petzer (2011:192) further argue that it is easy to recode the scale into a three-point scale for analysis purposes, if need be. Thus, motivating the use of a 6-point scale, instead of the 5-point scale, that was used by other authors such as Wong *et al.* (2001) for example.

The question on the overall attractiveness of the shopping centre was incorporated as a ten-point rating scale. The short section on demographics was placed at the end of the questionnaire. This section covered the usual questions, such as gender and age, as well as distance travelled, frequency of visits and the mode used to travel to the shopping centre.

All the criteria relevant to the proper construction of questionnaires were taken into account, as stated by Berndt and Petzer (2011:196), Iacobucci and Churchill (2010:220), Wiid and Diggines (2009:172), as well as McDaniel and Gates (2002:364). A logical sequence of questioning was followed; and the construction of the questions was kept as simple as possible. The interviewers were provided with clear instructions on how to ask the questions, and how to record the answers. The questionnaires were kept as short as possible, to limit potential respondent fatigue, and because people in a shopping centre are frequently in a hurry; and therefore, they do not want to spent time on a lengthy questionnaire.

A letter of introduction was also added to the questionnaire to explain the purpose of the survey as well as explaining that anonymity was assured and that participation was voluntary. Respondents also had to sign for informed consent before the survey was conducted.

6.6.1 Sections of the questionnaire used in this study

As mentioned previously, the questionnaire used for this study was adapted from various other studies with the two major contributors: Wong *et al.* (2001)'s SCATTR and the adapted version of the SCATTR by North and Kotze (2004).

A cover letter that introduced the topic as well as the researcher to the respondents and explained the premise of the study, as well as the purpose of the study, was included in the questionnaire. The letter was also used to explain informed consent to the respondents and they had to sign the informed consent.

The questionnaire consisted of 7 questions and covered the following topics (refer to Appendix A for the complete questionnaire and cover letter).

Question 1: Frequency of visits: How often do you shop at Riverside Mall? (Variable 2 in the questionnaire (V2), see Appendix A).

As discussed in section 5.4.3, previous research has indicated that there is a probability that if a shopping destination has a favourable reputation or viewed as attractive; shoppers would increase their shopping trips to that destination (Darley & Lim, 1999 in Ou *et al.*, 2006).

<u>Question 2</u>: Rating of 20 attractiveness attributes (V3-V22)

The following discussion refers to the various shopping centre attractiveness attributes that are used in the questionnaire. The attributes that was used are explained and highlighted in the following text.

As discussed in Chapter 5, section 5.3.1 merchandise relates to the quality, selection, style and price of the products. In a retail outlet, such as a shopping centre, that would relate to the tenant mix. The **variety of stores (V3)** as well as **variety of services (V19)** that are available, or merchandising, was cited by Bellenger *et al*. (1977); Wong *et al*. (2001); Frasquet *et al*. (2001); Sit *et al.* (2003); North and Kotze (2004) as well as El Adly (2007) as an important factor to consider in the evaluation of shopping centre attractiveness. This also relates to the **quality of merchandise (V4)** sold by the stores.

According to Sit *et al. (*2003:83), service is an integral part of the offer that is presented to consumers. As discussed in Chapter 5, section 5.3.3 Leo and Philippe (2002) (in Hart *et al.,* 2007:591) argue that knowledgeable staff that gave good advice contributed to perceptions of the entire shopping centre, rather than an individual store. Hart *et al.* (2007) and Sit *et al.* (2001) state that unlike customer satisfaction, which would refer to a particular service encounter, **service quality (V21)** refer to a more inclusive measure of service performance, which could be applied to the shopping centre level.

The general atmosphere of the shopping centre that relates inter alia to music, temperature and odours, can be used by consumers as environmental clues to imply the quality of the centre (Sit *et al*., 2003:83). The importance of correctly planning for **atmospherics (V5)** lies in the distinction between the intended and the perceived atmosphere. Some of the earliest work on atmospherics was done by Kotler (1973) when he identified physical features, such as architecture, interior design and window dressing as the three major art forms contributing to atmosphere realization. Kotler, (1973:50) argued that the perceived atmosphere is influenced by learned beliefs and culture. Later research by Sit *et al*. (2003:83) confirmed some of the items termed as atmospherics that fit into the physical environment; these would include ambience, colour, décor, music and layout (See Chapter 5, section 5.3.6).

Consumers are more likely to frequent a shopping centre that has some form of **entertainment (V13)** provided in the tenant mix, according to Wakefield and Baker (1998); Frasquest *et al.* (2001) and Sit *et al.* (2003). Researchers such as Wong *et al*. (2001) did not include the term entertainment in their study but referred to food courts and restaurant as an important attractiveness attribute. The entertainment provided may include speciality entertainment, such as movie theatres, **special event entertainment (V6)**, such as fashion shows, and food-related entertainment, such as food courts and cafes (Frasquest *et al*., 2001). Entertainment is discussed in Chapter 2, section 2.2 as well as Chapter 5, section 5.3.2.

Way-finding is defined as a complicated spatial problem-solving process "...*It is the cognitive ability to assimilate spatial information, make maps to find one's way, to make decisions and to execute these decisions"* (Pasini in Chebat *et al*., 2005:1591). It can also be seen as the selective process of acquiring information purposefully. Sit *et al.* (2003:83) mention way-finding as an important factor in design. The functional layout of a centre relates to the comfort, **clear signage (V7), general layout (V8), accessibility from the parking area (V11)** as well as **availability of information desks (V15)**. The lack of signage within a shopping centre can lead to frustration and irritation. Patrons of shopping centres tend to favour centres that are easily accessible. This reduces stress and frustration, and cuts down on the psychological cost to consumers. Wong *et al.* (2001) Frasquet *et al*. (2001); Sit *et al*. (2003) as well as North and Kotze (2004) alluded to some of the attributes related to way-finding.

Convenient shopping hours (V9) relate to the convenience that a shopping centre should provide and was included in the studies of Bellenger *et al*. (1977); Wong *et al.* (2001); Sit *et al.* (2003); North and Kotze (2004); Ganesh *et al*. (2007); Hart *et al.* (2007) as well as El Adly (2007). As consumers are becoming increasingly time-pressed, shopping centres should investigate the possibility of extended shopping hours and store opening hours, which are convenient for those who cannot shop during 'normal' shopping times. As mentioned in Chapter 5, section 5.3.5, this could become a factor in encouraging many more customers to patronise the shopping centre (Wakefield & Baker, 1998).

Added to the convenience that a shopping centre should provide, is the location **(accessible from main routes (V16)** and **parking (V10)** attributes. Parking and location was examined in the research conducted by Bellenger *et al.* (1977); Wong *et al.* (2001); Frasquet *et al.* (2001); Sit *et al.* (2003); Ganesh *et al.* (2007); Hart *et al.* (2007) as well as El Adly (2007). The location of shopping centres is planned through a process of market research and town planning. According to Prinsloo (2010a:156), an optimal location would allow ready access and attract a large number of customers, as well as ensuring an increase in potential sales. Location, being a long-term investment, is the most crucial factor; and even a slight error in judgement could lead to substantial economic losses (Prinsloo, 2010a:156).

In South Africa, where we rely on private or public road transport, parking plays an important role. In South Africa, private vehicle ownership is on the rise amongst the black middle class and safe and accessible parking is important. However, many commuters still make use of bus and taxi transport. Shopping centres should make provision for bus depots and / or taxi ranks in their planning, if they want to serve the lucrative black middle-class market (See Chapter 5, section 5.3.5 on convenience).

According to Wakefield and Baker (1998:531), the physical environment of the shopping centre influences a consumer's first impression and initial level of enthusiasm or excitement. This experience with the physical appearance and, in particular, with the **design and décor (V12)** can be positively associated with excitement or the desire to stay in the shopping centre. Wakefield and Baker (1998:531) explain that consumers' earliest inkling and original level of excitement is mostly generated by the physical environment to which they are exposed. Decor can also be regarded as an integral part of shopping centre image (Sit *et al.*, 2003). Although Bellenger *et al.* (1977) as well as El-Adly (2007); Garnesh *et al.* (2007) and Hart *et al.* (2007) included decor as a item in their research.

Emergency services (V14) relates to medical care, fire escapes and other assistance that should be provided in a public space. This, together with, **sufficient facilities for disabled people (V20),** were only included in the study of North and Kotze (2004) not in any of the studies previously mentioned. However a shopping centre should provide these facilities and make shoppers aware of them. Both personal and public services are important in adding value to the shopping experience (Sit *et al*., 2003:83). The absence, or the perceived lack, of these services can often lead to negative perceptions and annoyance with the shopping centre; and these can be seen as shopping irritants (d'Astous, 2000:154).

Security (V17) has been an important factor to be regarded as part of the attractiveness attributes as early as the study of Bellenger *et al.* (1977) and were also included in the works of El Adly (2007); Hart *et al.* (2007) and Ganesh *et al.* (2007). During the focus group interviews, safety was a concern that was raised by the respondents; this confirmed the decision to include safety as an attribute to be investigated.

Bellenger *et al*. (1977): El Adly (2007); Hart *et al.* (2007) as well as Ganash *et al.* (2007) included the overall **cleanliness (V18)** of the mall and of the restrooms as an item to determine the attractiveness of a shopping centre. Physical facilities relate to the cleanliness, centre layout, and attractiveness, as well as shopping ease. These physical facilities relate to the core services; and they play an important role in the consumers' choice.

The **spaciousness (V22)** of a shopping centre would indicate the ability of the shopping centre to accommodate crowds, especially during peak times like end-of-the-month and holiday times. Crowding can be a shopping irritant (d'Astous, 2000). Crowding is also one of the factors where marketers and centre managers need to be sensitive to cross-cultural differences, since personal space and the perceptions of crowding may differ according to culture (Arnold *et al.,* 2005; Machleit *et al.,* 2000; d'Astous, 2000). El Adly (2007) used the attribute of 'mall width' as part of the 'comfort' factor that he identified as an attractiveness factor to determine the attractiveness of a particular shopping centre.

<u>Question 3</u>: Overall attractiveness (V23)

3. Please rate the **<u>overall</u>** attractiveness of the mall using a scale from **1** to **10** where **1** = "**not attractive at all**" and **10** = "**extremely attractive**".

Not attractive at all									Extremely attractive
1	2	3	4	5	6	7	8	9	10

Question 3 measured the overall attractiveness of the Riverside mall using a similar approach as Hart *et al. (*2007). These authors investigated the individual attractiveness attributes, measured on a 5 point Likert scale, but also included the general enjoyment or overall attractiveness of the shopping centre.

<u>Question 4:</u> Distance travelled: how far do you travel to visit the mall (in km)? (V24)

Question 4 was included as Ou *et al.* (2006:223) report that the time that it takes to travel or distance travelled to a shopping centre is often viewed as the outcome of the trade-off between total costs of travelling to the shopping destination and benefits derived from the attractiveness of the destination. As discussed in Chapter 5 this view is supported by Grewal *et al*. (2012:438) whom state that the drawing power of a shopping centre will determine the distance that a potential consumer will travel to that particular retail outlet.

<u>Question 5</u>: Mode of transport: what mode of transport do you use to travel to the mall? (V25)

South Africa has a unique situation were public transport are used by many shoppers. This transport is in the form of busses and minibus taxi's. This mode of transport necessitates special parking and drop-off zones at a shopping destination. Dennis *et al.* (2001:6) reported differences in the importance of various shopping centre attributes and the importance of shoppers travelling with public transport vs. their own private cars.

<u>Question 6</u>: Demographic information: what is your gender? (V26)

For many years it was believed was that the consumption patterns of male and female consumers differ significantly; and researchers were using gender to differentiate between the choices and behaviours of consumers. However, some researchers reported blurred gender roles and therefore gender was included in the questionnaire for hypothesis testing and description of the sample.

<u>Question 7</u>: Demographic information: what is your age? (V27)

According to Ou *et al*. (2006:224) consumers' age serve as an indication of life experience and socialisation, which in turn relate to consumption patterns and preferences in store or shopping centre choice. The influence of age on the preferences of consumers in shopping centre choice was discussed in Chapter 5, section 5.4.1. and was included for hypothesis testing and to describe the sample.

6.6.2 <u>Pre-testing</u>

Zikmund (2003:739) defines a pilot study as *"...any small-scale exploratory research technique that uses sampling, but does not apply rigorous standards*". Berndt and Petzer (2011:147) posit that the pre-testing of a questionnaire is used to avoid making a costly mistake. A mock rollout of the questionnaire should be done to a few selected elements that represent the population. The questionnaire was pre-tested by interviewing 15 people who fitted the population profile; and they were chosen by convenience sampling. The respondents were asked to read the questionnaire carefully and to report any problems, such as unclear or ambiguous questions. The pre-testing was done to ensure a proper understanding of the questionnaire, as well as to ensure that the questionnaire provided answers to the research questions (Tustin, Lighthelm, Martins & van Wyk, 2005:240). No problems in understanding the questions or with the technical care were reported.

6.6.3 Reliability and validity

Reliability refers to the degree to which the results of a research design would yield similar results, when conducted by another researcher, or the degree to which the research could consistently be duplicated to yield the same results. A measurement error, in other words a measurement instrument, which does not produce the same scores every time it is used, is a primary source of unreliability (Dillon *et al.,* 1994:323; Bless & Higson-Smith, 2000:126).

For the purpose of determining the reliability of this study, Cronbach-alpha testing will be used with a 0.7 cut-off point. Although reliability is an essential quality measurement, it is not sufficient if done alone. Before accepting and using any measure, one must also ensure its validity.

Validity refers to how the measurement scale should measure, what it is supposed to measure; and it must yield consistent answers to the construct under study. According to Dillon *et al.* (1994:324), validity would depend on whether the non-random error was present or not.

Content validity, also known as face validity, assesses the content of the measurement to assure the adequacy of the instrument-content. To ensure the validity, the researcher examines previous literature on how the variable has been defined and used in earlier research. It was, furthermore, important to expand the range of possibilities to represent all the relevant dimensions of the variable as suggested by Iacobucci and Churchill, (2010:257).

Construct validity asks the question: "*Does the instrument, in fact, measure what we purpose it to measure?"* (Iacobucci & Churchill, 2010:257). The important factor to consider is the correlation between items. The difficulty of testing construct validity lies in the unobservable nature of many of the constructs that are used to explain marketing behaviour (Aaker *et al.*, 2011:269).

To ensure content and construct validity the questionnaire for the study was developed by using the factors identified by other researchers (Wong *et al*., 2001) as a guideline and adapted by North and Kotze (2004) for the South African context. The questionnaire was then verified by information obtained by focus groups, as well as from personal interviews. The questionnaire was also pre-tested. The questionnaire used in this study is appropriate to the research problem and purpose. The validity of the measurement instrument used in this study is supported by the above-mentioned subjective arguments and judgments; and this is referred to as face validity (Aaker *et al*., 2011:208).

Internal validity is concerned with external factors and their influence on the variable under observation. To be internally valid, a research design should control as many extraneous factors as possible and this approach was also followed by the researcher. External validity refers to the ability of the results of the study to be generalised to all subjects in the population being studied. To ensure high external validity, the sample must be representative of the population; and the study must simulate reality, as closely as possible (Bless & Higson-Smith, 2000:129). As this study is using a mall intercept thus using non-probability sampling, the sample may not be a representation of the population.

A measurement scale could thus be reliable, by producing steady and secure results over time, but it might still be invalid. The opposite is true, however; a measurement scale that is unreliable cannot be valid. In this study, a questionnaire that is appropriate to the research problem and purpose is used. The questionnaire was pre-tested, and the information was used to eliminate problems, such as irrelevant questions and problems with the completion and understanding of the questionnaire. Thus ensuring reliability and validity.

6.6.4 <u>Errors</u>

In any research process there is always the possibility that errors can occur that could influence the research process, as well as the reliability and validity of the findings. The most commonly known errors that can occur include errors of definition and errors of estimation that relate to the problem-definition, the population, and the sample-identification errors. Measurement errors would include errors made by respondents, interviewer errors, as well as questionnaire-design errors, and coding and capturing errors. Lastly, errors of explanation or interpretation could occur when the researcher makes wrong deductions about relationships and the outcome of the data (Tustin *et al.*, 2005:376).

It is important for any researcher to be aware of the possible errors that can occur, and to take care and implement proper planning to minimise these errors. For the purpose of our study, errors were minimised by the careful planning of the study. Care was taken in the development of the objectives to minimise any errors of definition. Training and supervision were provided to the interviewers/fieldworkers, in order to minimise any estimation and measurement errors, and the researcher made use of reliable statistical support to minimise the errors of explanation.

After the research design has been established, the next step is to determine the population for the study, as well as to develop a sampling plan.

6.7 DESIGN A SAMPLING PLAN (STEP 6)

The collection of the data from a sample has many advantages over a census survey that consists of the entire population. A sample consists of selecting some elements (a subset) from the population, in order to save time and costs; and it is a more practical approach (Berndt & Petzer, 2011:165; McDaniel & Gates, 2002: 396).

According to Berndt and Petzer (2011:170), as well as Iacobucci and Churchill (2010:283), a sample plan consists of six steps: defining the population, identifying the sample frame, specifying the sampling unit, selecting the sampling method, determining the sample size, specifying the sampling plan, and selecting the sample. These steps will now be briefly described.

6.7.1 The sample population

The population is the entire group of people that the researcher has identified, and from which information should be obtained (McDaniel & Gates, 2002:396). A survey population is the aggregate of elements from which the sample is drawn (Martins, Loubser & van Wyk, 1996:252).

The population for the descriptive research, that entailed an intercept survey, consisted of black African consumers above the age of 18, who had visited the Riverside Mall shopping centre in Nelspruit.

6.7.2 Sample frame and sample unit identification

According to Berndt and Petzer (2011:171), a sample frame consists of a complete and correct list of the members of the population. The requirements for a good sample frame include the following: all elements of the population should be represented; there must be no duplication of elements; and preferably, there list should be no foreign elements in the population.

A sample frame for this study was not available, as it is impossible to compile a list of all the black African consumers over 18 who had visited the Riverside Mall. The researcher used a description of the sample element, as a reference guide in identifying the respondents.

The sample unit is a basic unit that contains the sample elements of the population; and it could be the same as the element (Berndt & Petzer, 2011:172). In this study, the element and unit would be the same; and this has been identified as a black African, aged 18 or above, who has visited the Riverside Mall shopping centre in Nelspruit.

6.7.3 The sampling method

The two main types of sampling are probability and non-probability sampling. According to Berndt and Petzer (2011:175), the concept of random selection underlies probability sampling. This implies that during the procedure of choosing between the population elements, each element has an equal chance to be selected as part of the sample. Non-probability sampling, on the other hand, is biased and random. Sample elements are chosen subjectively; and all elements in the population do not have the same chance of being included in the sample.

Berndt and Petzer (2011:173) argue that the use of non-probability sampling could well be illogical and biased. Iacobucci and Churchill (2010:285) warn that non-probability sampling should be used with caution, for two reasons: firstly, that during the process of non-probability sampling personal judgement would be used in choosing the elements; and secondly, the sampling error cannot be assessed. This view is echoed by Aaker *et al.* (2011:349), where they claim that the major drawback of non-probability sampling is the fact that a statistical evaluation of the sampling error cannot be accurately made.

For the purpose of this study, non-probability sampling was used. The reasons for choosing non-probability sampling lie in the fact that no sample frame was available. According to McDaniel and Gates (2002:404), non-probability sampling is also more cost-effective and time-effective than probability sampling; whereas, the sample can also be regarded as reasonably representative if collected in a cautious and systematic manner. This implies that measures have to be undertaken to minimise the sampling errors. This was done in the following way: questionnaire design errors were kept to a minimum, by carefully following the guidelines for questionnaire design.

A pilot study with a group of 15 respondents was conducted to test the questionnaire. To avoid coding errors and data-capturing errors, the researcher made use of cross-checking, computer checks and pre-coding of the questionnaires. By keeping the questionnaire as concise as possible, and by minimising any possible embarrassing and humiliating questions, the possibility of respondents' errors was minimised. Interviewer errors were limited, by using a structured questionnaire, and by providing proper training and guidance to the interviewers.

Four types of non-probability sampling can be identified, namely: judgemental sampling, snowball sampling, convenience sampling and quota sampling (Aaker *et al.*, 2011:350). For the purpose of this study, the method used in the shopping centre intercept was convenience sampling and quota sampling. Quotas were used to ensure an equal number of respondents across age and gender. Aaker *et al.* (2011:350) describes this method as a good option in those cases where information is needed quickly and inexpensively. The procedure is to interview sample elements that are conveniently available. The shoppers in the centre were chosen, based on their availability and accessibility during the interview times and fitting within the pre-determined quota.

The main disadvantage of this type of sampling lies in the fact that the data cannot be generalised for the defined population. The other disadvantage is that although care was taken to reduce and monitor sampling errors, the sampling error estimates cannot be measured (Hair *et al.,* 2008:136).

6.7.4 <u>Determining the sample size</u>

According to Tustin *et al.* (2005:361), a statistical calculation to determine the correct sample size can only be done when using a probability sample. Aaker *et al*. (2011:362) indicate that an *ad hoc* method for determining sample size is common practice.

For the quantitative part of the study, non-probability convenience quota sampling was used, as there was no sample frame available. The sample size was determined by taking into account time and cost constraints; and in order to ensure statistical analysis, the sample size that was found to be representative for this study was 400. Non-response errors were factored in, and quotas were used to qualify the respondents and to ensure an equal spread of respondents across age and gender groups.

The data-collection process will be discussed.

6.8 THE DATA-COLLECTION PROCESS (STEP 7)

The secondary data collection of this study was covered by the extensive literature review of secondary data available from various academically reliable sources. The study focused on the history and development of shopping centres worldwide; and then it moved on to focus on the South African situation, in particular. The retail marketing strategy was then discussed and placed in context with the attractiveness factors of centres, and the importance of such factors to consumers of all races and cultures. The last part of the literature review focused on the factors influencing consumer behaviour, as well as the process of decision-making where consumers select a retail outlet.

Qualitative data was collected by means of focus groups and personal interviews as explained in section 6.5.1.

During the quantitative intercept survey, a questionnaire was used to interview 400 respondents, chosen as a convenience quota sample of the population at Riverside Mall, Nelspruit. Gender and age quotas were used to ensure a more reflective sample. The interviewers were asked to ensure that they interviewed an equal number of male and female respondents; furthermore, they had to ensure that the respondents fell into different age groups, as far as possible.

After ethical clearance was obtained from the University of Pretoria, permission was obtained from the shopping centre management to conduct the interviews. The fieldworkers that were used to conduct the interviews were the third-year Marketing-Research students of the Tshwane University of Technology (TUT), studying at the Nelspruit campus. Full training was provided to all the interviewers; they were informed of the objectives of the study, how to approach and select the respondents, as well as obtaining the signature of each respondent to ensure their consent. The fieldworkers were monitored while the interviewing took place, by conducting random spot checks. The monitoring was done by the marketing-research lecturers of TUT on the Nelspruit campus, as well as by the researcher.

No incentives were provided to the respondents to entice them to participate. Participation was voluntary, and the respondents were requested to sign an informed consent letter attached to the questionnaire (See Appendix A).

After the quantitative data were collected, the next step was to prepare and process the data.

6.9 PREPARING AND PROCESSING THE DATA (STEP 8)

Once the quantitative data from the questionnaires had been gathered, it had to be prepared and processed to enable the researcher to analyse the data. According to Wiid and Diggines (2009:228), the raw data should be validated, edited, coded, and then captured onto a computer file, after which it would be tabulated and cleaned.

6.9.1 Validation of the data

During the validation phase, the researcher had to ensure that the data that had been gathered were valid and accurate (Wiid & Diggines, 2009:228). McDaniel and Gates (2002:462) describe the validation process as an assurance that the interviewing process was conducted as specified. No inference to the actual data is made, but rather to the process of collection.

In addition to proper training offered to the interviewers, the researcher was present in the shopping centre during the data-collection procedure. Regular spot checks were conducted; and the interviewers were issued with only 10 questionnaires at a time, to ensure that the questionnaires would be scrutinised, as soon as possible for potential mistakes.

The sampling was also monitored; and the interviewers were guided in the sample-selection procedure by observing quotas on age and gender to ensure a reflective sample.

6.9.2 Editing

The editing process involved the correction and the completion of the questionnaires (Iacobucci & Churchill, 2010:350; McDaniel & Gates, 2002:462; Wiid & Diggines, 2009:229).

According to Aaker *et al.* (2011:381), problems that can be identified and that should be avoided include, among others: interviewer errors; omissions in answering some questions; ambiguity, where an answer is not clearly marked or two boxes are ticked; inconsistencies in responses; lack of co-operation, by failing to check the same response on all questions, as well as ineligible respondents; or respondents that did not fall into the sample parameters.

The inspection of the completed questionnaire, as well as the correction of each questionnaire, if necessary, can be done in the field and/or in the central office. Each of the questionnaires was checked by the researcher, as it was received back; and a decision was made to disregard the questionnaire if more than 75% of the questions had not been completed. The length of the questionnaire made it possible to do field editing, and to request more completed questionnaires to ensure a sufficiently large sample.

6.9.3 Coding

The next step in the data processing is coding. According to Wiid and Diggines (2009:230), the conversion of raw data into symbols, usually numbers is called coding. McDaniel and Gates (2002:465) describe coding as the grouping and assigning of numeric codes to certain questions.

Pre-coding was done during the questionnaire development, which implies that a numeric code was assigned to the various responses on the questionnaire (McDaniel & Gates 2002:466). Hair *et al.* (2008:229) state that a well-constructed questionnaire should ease the coding process and increase the accuracy.

Close-ended questions can be pre-coded, and the assigning of the code to answers provided is straightforward. Open-ended questions are more complex. The process starts by generating a list of as many potential responses as possible. Values within a range are assigned to the possible responses; this then forms a code book. In coding the responses, the researcher draws a value from this code book; and if the response falls outside the list, a new item can be added. After this process, the consolidation of the responses takes place.
Consolidation would group the responses within the same category together, to reduce the number of responses into a workable and sensible number. Codes are then assigned to these groups (Hair *et al.,* 2008:230).

The questionnaire was pre-coded; and a code book was assigned to the open-ended questions. A three-digit code was assigned to each questionnaire, to enable easy reference. After coding, the data entry into a computer file was done. Hair *et al.* (2008:231) describe data entry as: *"the direct input of the coded data into a file that [would] enable the research analyst to manipulate and transform the data into useful information*". The data were captured into an Excell spreadsheet by a data capture of the statistical services of the University of Pretoria.

6.9.4 <u>Cleaning and storing of the data</u>

The possibility of errors when entering the data into a data file is real; and this should be identified and corrected. According to Wiid and Diggines (2009:235), possible mistakes include: values that cannot be executed; data transformation; the inclusion of foreign data; missing data; as well as records that are not placed in sequence.

Cleaning is the checking and resolution of the mistakes mentioned above. Four checks, as prescribed by Wiid and Digginess (2009:235) were conducted. Checking each question to make sure the right codes were used, checking for inconsistent and contradictory responses, checking for extreme answers, as well as checking for any missing data.

After the coding, and the entering of the codes into excel, as well as cleaning the data files, the data were saved and stored on an external hard drive, as well as the normal drive of the computer. The analysis of the data into meaningful information is the next step in the methodology phase.

6.10 ANALYSE THE DATA (STEP 9)

Analysis of the data is necessary, in order to reduce the data into meaningful information that can be used to make informed decisions and inferences. Information from the data will be extracted to solve the research problem. The findings and statistical analysis results of this study will be discussed in Chapter 7.

6.10.1 Descriptive statistics

Descriptive statistics are used for the description and summary of data. This type of summary forms the basis for subsequent information analysis. The two types of measures often used are measures of central tendency and measures of dispersion (Hair *et al.,* 2008:235). The results of the study will be presented by using frequency tables, mean values and standard deviations in Chapter 7.

Measures of dispersion gives an indication of how close the other responses in the distribution are to the measures of central tendency. Wiid and Diggines (2009:244) claim that by calculating both the central tendency, as well as the dispersion of the data, a better understanding of the characteristics of the data can be obtained. The most common measures of dispersion are the range, the variance and standard deviation, as well as the variation coefficient. The difference between the highest and the lowest value in the dispersion is called the range; and this is what defines the dispersion. The average distance of the distribution values from the mean is called the standard deviation (SD).

A deviation then refers to the difference between a particular response and the distribution; and this gives an indication of the level of agreement amongst the respondents. A variance is the average squared deviation of the distribution (Hair *et al.,* 2008:250). When comparing two or more series of data, a variation coefficient is used. High standard deviations would indicate a great variety within the range of answers; while a low standard deviation indicates similarity of responses more closely grouped together.

6.10.2 Tabulation

Tabulation is the simplest form of analysis; and it involves counting the number of observations that are classified into certain categories (Hair *et al.,* 2008:233). One-way frequency tables are the most basic tabulation that can be done and are reflected in Chapter 7. According to McDaniel and Gates (2002:476), a one-way frequency table indicates the number of respondents selecting any particular answer to the survey question. The frequency distribution shows the grouping of data into classes or groups of values. It also indicates the percentage of the respondents, from the total sample, that gave a response to each question.

6.10.3 Factor analysis

Factor analysis is used to reduce a large number of variables to a smaller number of manageable factors, and thereby simplifying the set of data, as well as determining the fundamental structure of the data, in which a large number of variables measure a small number of basic characteristics of the sample (Wiid & Diggines, 2008:249). According to McDaniel and Gates (2002:590), a factor refers to a linear combination of different variables. As evident from the discussion in Chapter 3, previous studies by Wong *et al.* (2001:82), Sit *et al.* (2003:81) and El-Adly (2007:936) found that the attractiveness factors load into different dimensions as they respectively identified 5, 12 and 6 dimensions or factors.

Pallant (2010:182) argues that two main approaches to factor analysis can be followed, namely: exploratory and confirmatory approaches.

There are three steps involved in factor analysis (Pallant, 2010:182):

- Step 1: Assessment of the suitability of the data for factor analysis

The two main aspects to consider for suitability are the size of the sample and the strength of the relationship between the variables. These two aspects will be discussed in more detail under the assumptions.

- Step 2: Factor extraction

The smallest number of factors should be extracted that can be used to best represent the interrelationships among the set of variables. Although various techniques can be used, *inter alia*, principal components, image factoring, maximum-likelihood factoring, un-weighted least squares, and alpha factoring, the principal component analysis is the most commonly used and will also be used for this study. It is often necessary for the researcher to experiment with the number of factors until a satisfactory number is found. Three tests are available to help the researcher decide on the number of factors to retain.

The first test is Kaiser's criterion, where the *eigenvalues*, the amount of the total variance of the factor, are determined. Pallant (2010:184) suggests that only factors with *eigenvalues* of 1.0 or more should be retained.

Catell's scree-test would enable the researcher to plot the *eigenvalues* of the factors. The researcher needs to study the scree plot and determine where the curve changes direction and becomes horizontal. It is then advised to retain all the factors above the break in the plot. The last test is Horn's parallel analysis. This test compares the size of the *eigenvalues* with those acquired from a randomly generated dataset of similar size. The *eigenvalues* that exceed the matching values of the random dataset are retained (Pallant, 2010:184).

- Step 3: Factor rotation and interpretation

This involves the pattern in which the factors are 'rotated'. The rotation aids in the interpretation of the factors (Iacobucci & Churchill, 2010:500). Two main approaches to rotation exist. Oblique techniques allow for factors to be correlated. However, this technique makes it difficult to interpret, describe and report. This technique includes Direct

Oblimin and Promax. Orthogonal rotation provides uncorrelated factor solutions and includes techniques, such as Varimax, Quartimax and Equamax.

After rotation, the factors can be explained and interpreted. In naming the factors, a combination of intuition and knowledge would assist (McDaniel & Gates, 2002:592).

According to Pallant (2010:187), certain assumptions need to be met for factor analysis to be effective, and of any value to the researcher. These assumptions are the following:

- Sample size: A sample size of more than 150 cases would be preferred, as well as at least five cases for each variable.

- Factorability of the correlation matrix: A correlation of r = 0.3 or greater should be shown. It is, furthermore, important to test the strength of the intercorrelations among the items. Two tests, the Barlett test of sphericity or the Kaiser-Meyer-Olkin (KMO) measure can be used. When the Bartlett test is used, it should be significant ($\rho < 0.05$) for factor analysis to be considered relevant. The KMO index has a range of 0 to 1; and 0.6 would be considered the minimum value appropriate for factor analysis.

- Linearity: It is assumed that the relationship between the variables should be linear.

- Outliers among cases: Extreme values should either be removed or recoded, as part of the initial screening process before attempting factor analysis.

This study used factor analysis to identify a set of factors from the attractiveness variables. Principal component analysis was used with the Promax rotation method.

6.10.4 <u>Parametric tests for hypothesis testing</u>

A hypothesis can be defined as a statement, theory or assumption that the researcher makes about some characteristic of the population (McDaniel & Gates, 2002:507). In testing a hypothesis, it would be determined, given the evidence, whether a hypothesis is likely to be true. McDaniel and Gates (2002:508) describe the testing of a hypothesis in five steps, including: the setting of a hypothesis; choosing an appropriate statistical test, based on the characteristics under investigation; developing a decision rule to determine whether the hypothesis is to be accepted or rejected, and on which level of significance the decision will be made; the value of the test statistics need to be calculated; and lastly, the conclusions are drawn.

During the testing of the hypotheses the researcher will made use of parametric techniques, namely t-tests and ANOVA tests (Pallant, 2010:205), to test for significant differences.

Some general assumptions apply to the parametric techniques used:

- Level of measurement: it is assumed that the dependent variable is measured on a continuous scale.
- The observations that are contained in the data should be independent, and not be influenced by any other observations.
- It is assumed that the population from which the samples were taken is normally distributed.
- Samples should have been obtained from populations of equal variance.

According to Pallant (2010:239), t-tests are used to test for differences between two groups. Independent sample t-tests are used to contrast the mean scores of two dissimilar groups of people.

In cases where more than two groups are present, analysis of variance (ANOVA) is the appropriate parametric test to be used (Pallant, 2010:249). The variability in scores between different groups will be compared with the variance within each of the groups. By calculating the variance between groups divided by the variance within the groups, an F-ratio will be obtained. The larger the F-ratio, the higher the variability between the groups would be. When the F-test is significant, the null hypothesis can be rejected, based on the notion that the population means are equal. Once the differences between groups have been determined, the size of the effect can be calculated by using eta squared.

$$\text{eta squared} = \frac{t^2}{t^2 + (N1 + N2 - 2)}$$

6.10.5 Non-parametric tests

In instances where the assumptions of the t-test or the ANOVA test are not met, the non-parametric alternative statistical tests would be used. The non-parametric alternative to the independent samples t-test is the Mann-Whitney U test, while the non-parametric alternative for the one-way ANOVA test is the Kruskal Wallis test (Pallant 2010:114).

6.10.6 Multiple regression

Regression analysis is a way of predicting an outcome variable from one predictor variable (simple regression) or several predictor variables (multiple regression). There are three main types of multiple regression analyses: standard, hierarchical and stepwise (Pallant, 2010:149).

In stepwise regressions decisions about the order in which predictors are entered into the model are based on a purely mathematical criterion and could either be forward selection, backward selection or stepwise. In this study the forward method is used, an initial model is defined that contains only the constant (b_0). The computer then searches for the predictor (out of the available variables - attractiveness factors) that best predicts the outcome variable (overall attractiveness) – it does this by selecting the predictor that has the highest simple correlation with the outcome. If this predictor significantly ($p<0.05$) improves the ability of the model to predict the outcome, then this predictor is retained in the model and the computer searches for the second predictor and so the process continues. Thus, the predictor that accounts for the most new variance is added to the model, and if it makes a significant contribution to the predictive power of the model, it is retained and another predictor is added (Field, 2009:213).

The decision process, involved in conducting regression analysis includes several steps (Field, 2009; Pallant, 2010):

• **Identifying the objectives of the regression analysis**

The objective of the analysis in this study is to determine the effect of the various shopping centre attractiveness attributes/factors (predictor variables) on the overall attractiveness of the shopping centre.

• **Specifying the appropriate functional form of the regression model and selecting the independent and dependent variables**

Forward regression is used in this study with the independent variables being the various attractiveness factors and the dependent variable the overall attractiveness of the Riverside Mall shopping centre.

• **Deciding on sample size**

The sample size must be big enough and Tabacknick and Fidell in Pallant (2010) suggest N>50+8m (where m = number of independent variables) as a general rule of thumb and for stepwise regression there should be a ratio of at least 40 cases for every independent variable. Thus for our study N> 50 + 8(4) = 82 as a general rule of thumb and N> 40 X (4) =160, for stepwise regression.

• **Testing the assumptions of multiple regression analysis**

Multicollinearity and singularity refers to the relationship among the independent variables. Multicollenearity exists when the independent variables are highly correlated (r=.09 and above) while singularity occurs when one independent variable is actually a combination of other independent variables.

Extreme values should either be removed or recoded, as part of the initial screening process as multiple regressions is very sensitive to outliers.

• **Interpreting the results of the regression analysis**

The interpretation of the results of the regression analysis is discussed in Chapter 7, section 7.6.5.

A summary of the statistical tests that were used for the analysis is presented in Table 6.3.

TABLE 6.3: OBJECTIVES, HYPOTHESES, QUESTIONS AND STATISTICAL TESTS

OBJECTIVE	HYPOTHESIS / RESEARCH QUESTION	QUESTIONS	STATISTICAL TEST
The primary objective of this study is to determine the perceptions of black African consumers regarding the attractiveness of a shopping centre in Nelspruit, a city in the Mpumalanga province of South Africa.		Question 2: Attractiveness factors	Descriptive statistics
To describe the demographic profile of respondents.		Questions 6 & 7	Descriptive statistics
To determine the frequency of visits to the shopping centre.		Question 5	Descriptive statistics
To determine the distance travelled to the shopping centre.		Question 4	Descriptive statistics
To determine which modes of transport are used by shoppers when visiting the shopping centre.		Question 1	Descriptive statistics
To determine the overall attractiveness of the shopping centre		Question 3	Descriptive statistics
To determine if subgroups/factors exist among shopping centre attributes.			Factor Analysis
To determine if there are significant demographical (gender and age) and patronage behaviour (distance travelled and frequency of visits) differences and the shoppers' perceptions of the attractiveness of the shopping centre.	H_0: Male and female shoppers' perceptions do not differ regarding the overall attractiveness of the shopping centre. H_1: Male and female shoppers' perceptions differ regarding the overall attractiveness of the shopping centre		T-Tests or Mann-Whitney U Test

	H_0:	Male and female shoppers do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.		T-Tests or Mann-Whitney U Test
	H_2:	Male and female shoppers differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.		
	H_0:	Shoppers of different age categories perceptions do not differ regarding the overall attractiveness of the shopping centre.		ANOVA or Kruskal-Wallis Test
	H_3:	Shoppers of different age categories perceptions differ regarding the overall attractiveness of the shopping centre.		
	H_0:	Shoppers of different age categories perceptions do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.		ANOVA or Kruskal-Wallis Test
	H_4:	Shoppers of different age categories perceptions differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.		
	H_0:	Shoppers visiting the shopping centre at different intervals perceptions do not differ regarding the overall attractiveness of the shopping centre.		ANOVA or Kruskal-Wallis Test
	H_5:	Shoppers visiting the shopping centre at different intervals perceptions differ regarding the overall attractiveness of the shopping centre.		
	H_0:	Shoppers visiting the shopping centre at different intervals do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.		ANOVA or Kruskal-Wallis Test
	H_6:	Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.		

	H_0: Shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre do not differ. H_7: Shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre differ. H_0: Shoppers travelling various distances to the shopping centre do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre. H_8: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.		ANOVA or Kruskal-Wallis Test ANOVA or Kruskal-Wallis Test
To determine the effect of the various shopping centre attractiveness factors on the overall attractiveness of the shopping centre.		Question 2 & Question 3	Multiple regression (forward)

The results of the analysis will be presented in Chapter 7.

6.11 REPORTING ON THE RESEARCH FINDINGS (STEP 10)

Research findings should be reported. This report, whether oral or written, is testament to the success or failure of the research project. According to Wiid and Diggines (2008:259), a good research report should comply with four criteria: the report should be complete in covering all the objectives set out in the initial proposal; the information provided should be accurate; the report should be clear, precise and understandable; and the report should be complete and be able to stand alone – without the necessity to add any additional clarification. The results of the research will be discussed in Chapter 7.

6.12 SUMMARY

In Chapter 6 the empirical component of the study was discussed as well as clarity on the methodology used in this study.

The research problem, the objectives, as well as the hypotheses, were discussed and used to indicate how the research design unfolded. A pluralistic research method was followed, where a combination of quantitative and qualitative research methods was used for this study. The qualitative data that were gathered through interviews, as well as through focus group interviews was used as confirmation of the use of an adapted SCATTR instrument for input into the quantitative questionnaires.

This questionnaire was administered at intercept interviews in the designated shopping centre.

After the data had been collected, edited, coded, captured and cleaned, the data were transported into an Excell data file ready for analysis and interpretation. A Cronbach-alpha test was conducted, in order to confirm the internal consistency of the items in the questionnaire. Descriptive statistics are used to describe the characteristics of the sample. Thereafter, factor analyses were performed, in order to reduce the large number of variables into a more manageable number of factors, and to identify any possible underlying structures as well as regression analysis. Furthermore a forward multiple regression analysis will be used to determine the effect of the various shopping centre attractiveness factors on the overall attractiveness of the shopping centre. Parametric tests such as t-tests and ANOVA, exploring differences between groups, are to be used as well. If these parametric tests are not suitable, the researcher would make use of non-parametric tests, such as the Mann-Whitney U test and the Kruskal-Wallis test. These tests would also be used to determine whether the null-hypothesis should be accepted or rejected.

The next chapter, Chapter 7, will elaborate on the research findings; and Chapter 8 will be dedicated to recommendations and implications of the study.

CHAPTER 7

RESEARCH RESULTS

7.1 INTRODUCTION

The previous chapter gave a detailed explanation of the research methodology that was used for this study. The empirical results of the study and the interpretation of those results will be documented in this chapter.

The chapter will start with a discussion of the qualitative part of the study by providing the information obtained in the focus group interviews, as well as the personal interviews. The discussion of the quantitative phase will consist of the realisation rate of the study, thereafter, the results from the questionnaire will be discussed. A detailed descriptive analysis will be provided; and then the results from the factor analysis will be discussed, followed by the testing of the hypothesis and regression analysis.

7.2 QUALITATIVE RESULTS: RESPONSES OF THE FOCUS GROUP INTERVIEWS

During the exploratory phase of the study three focus groups interviews were conducted in Nelspruit. These focus groups were held with black African respondents above the age of 18, and were familiar with the shopping centre used in the study.

The combined responses of the focus groups interviews are presented in table format below.

TABLE 7.1: RESPONSES FROM FOCUS GROUPS

QUESTIONS	RESPONSES
1. Which shopping centres (malls) are you familiar with and visit in the area?	Riverside Mall and Ilanga Mall
2. What is your primary reason for visiting these shopping centre(s)	Shopping and browsing were mentioned by most of the respondents. Visiting restaurants and movie theatres, as well as socialising, was mentioned by most of the respondents when indicating why they visit Riverside Mall. Other general reasons for visiting the shopping centres and not the shops in the centre of town included: convenience; as one respondent indicated, "...because you can shop under one roof". Safety: the respondents felt that shopping in a centre is safer than visiting the city centre. Ilanga Mall was visited for the following reasons: "...it is closer to home". "...has easy access". "...is safe and one does not feel crowded". "...for shopping mainly because some shops like Game and PEP Stores are only available in Ilanga."
3. How often do you visit these shopping centre(s)?	All respondents in group one indicated at least once per week. Mostly over weekends. All respondents in group two indicated at least once or twice per month. Mostly over weekends. Answers in group three varied between twice per week to once per month.
4. Why do you prefer one shopping centre rather than the other? (Riverside Mall vs Ilanga Mall)	Riverside Mall is preferred for the following reasons: • Entertainment. • Safe environment. • Convenient to get access to the mall. • Layout is familiar. • Relaxed atmosphere. • Good restaurants. • Riverside caters for younger people. Ilanga Mall is preferred for the following reasons: • It is less crowded

	• The shops are a "bit better". Most respondents regarded the restaurants in both shopping centres as similar. The negative feelings towards Ilanga were expressed as: • "Ilanga are more crowded at the end of the month". • "...there are not enough banks in Ilanga Mall".
5. Any other comments on shopping centres that you visit?	The respondents were asked what the difference is between a mall and a shopping centre: they believe a mall is a facility under one roof with adequate parking. On the other hand, they regard a shopping centre as a strip of shops facing outwards towards the car park. The SPAR is usually the anchor tenant. The Emnotweni Casino at the Riverside Mall is regarded as being part of the shopping centre. The respondents believe that the reason PEP is situated in Ilanga Mall simply means that the management want to attract black people.
6. Attributes: 6.1 General atmosphere	In general, Riverside Mall is rated as falling between 7 and 8 out of 10 for atmosphere. Ilanga received varied scores from 5 to 8 out of 10. General comments made about Riverside Mall: • "There is a vibe that is created by the people that shop there". • "The vibe, surroundings and ambience are not as good as they used to be". • "...it caters more for younger people and the atmosphere is not favourable to the older generation". General comments made about Ilanga Mall: • "...there is no atmosphere; it is quiet and there are less shops". • "...it is more sophisticated". • "Ilanga has no vibe; and it is too formal". In general, the respondents felt that the shopping centres do not compare to anything in the city (Johannesburg & Pretoria).
6.2 Entertainment facilities	Riverside Mall: • "... the kids playground and the movie theatres are good'. • "... the restaurants are too busy and situated too

	close to the rest rooms". Ilanga Mall: • "...has no entertainment except for restaurants". • "The restaurants are better because they are situated around an open area, and some have a view".
6.3 Attractiveness of the decor	Comments made about Riverside Mall: "...the new wing is attractive". "During Christmas, there is a lot of decor and a play area for kids and a Christmas Father". "Riverside Mall is old-fashioned". "...the use of green in the decor and tiles is not attractive". "...old fashioned and should be upgraded". Comments made about Ilanga Mall: • "...the decor is still new, so it is better". • "Ilanga has a fresh look, neutral colours and natural". • "... the building and the branding do not reflect the name (Ilanga means sun)".
6.4 Variety of stores and services available	The respondents regarded the shops in both shopping centres as being very similar. They indicated that there are not a lot of services on offer; for example, there are no hairdressers for black people. Ilanga has a dry-cleaning facility, and both shopping centres have optometrists, travel consultants, Vodacom and other cell-phone providers. The respondents indicated that there is a lack of banks inside the shopping centres. Not all banks are represented in all the shopping centres, even though the ATM machines are available.
6.5 Quality of the stores and services available	The respondents indicated that every store is different with regard to merchandise and service delivery. The respondents would like to see more specialised, branded shops, like Diesel and Levy. In general, they felt that the boutiques in the shopping centre offered better quality merchandise than the shops in the city centre. A few respondents believed that Ilanga has better quality, better variety, bigger shops and more parking.
6.6 Quality of merchandise sold by stores	The respondents believe that this is determined by the individual stores.

6.7 Hosting of special events or exhibits	The respondents indicated that the Riverside Mall hosts regular events in the casino and open areas in the shopping centre. According to the respondents, they were not aware of any events that were hosted in Ilanga Mall.
6.8 Clear signage in the centre	The respondents indicated that both shopping centres are small; and it is easy to navigate one's way. Most respondents said that even though they are aware of Riverside Mall that has touch-screen info centres, they had never used the info or signage, as the shopping centre is quite small.
6.9 Convenient shopping hours	The respondents indicated that the shopping centre can become very crowded, especially the Riverside Mall. Longer shopping hours especially during the festive season, during holidays and on weekends would be appreciated, according to the respondents. The respondents indicated that the movie theatres are open until 10pm; but by then the shops and restaurants are closed.
6.10 Adequate parking facilities	The respondents felt that there is adequate parking at both shopping centres. The parking is free at both malls. The under-roof parking at Ilanga Mall is preferred above the shade-cloth parking at Riverside Mall. Security in the parking areas is regarded as a problem by the respondents. The lack of an official taxi rank at both shopping centres is regarded as a bit of a problem.
6.11 Emergency services (medical care, fire escapes etc.)	None of the respondents had any experience with emergency services at the two shopping centres. One respondent indicated that he was present when there was a fire-drill in Riverside Mall.
6.12 General price levels	The respondents indicated that the shops that are not part of the regular chain shops can be more expensive. All the respondents indicated that the price levels of stores are similar to other stores in the chains. The respondents believe that even though it is easy to shop under one roof, it is expensive and time-consuming to get to the shopping centre.

6.13 Uniqueness of the centre	The respondents believe that the shopping centres are not unique at all. They indicated that they believe that there are no specialised shops; and all malls are basically the same. A few respondents indicated that Ilanga is unique because similar shops are clustered together. The respondents also did not think that the building structures were unique.
6.14 General quality of service provided at stores	Respondents indicated that the stores are all individual, and they determine their own service levels; but in general, the services are good. The respondents believe that if a person does not perform in their job they will be fired, so people have to provide a good service.
6.15 Availability of info help desks	The respondents indicated that they are aware of a help desk at Riverside Mall, but had not noticed one at Ilanga yet. The respondents indicated that they had not used the help desk themselves, but believed that the foreign visitors (Swaziland and Mozambique) did make use of them.
6.16 Availability of resting seats	The respondents indicated that both shopping centres provide resting seats; but that these are inadequate and uncomfortable.
6.17 Cleanliness of restrooms	At the Riverside Mall, the female respondents were complaining about the claustrophobic feeling of the cubicles and bad ventilation. In general, the respondents believed that the new restrooms at the Ilanga Mall are better, but only because they are new. The respondents had no problem with the cleanliness of the restrooms.
6.18 Level of security	The respondents indicated that the general security in both shopping centres is good; however, the feeling is that there is no adequate security in the parking areas. A few respondents indicated that no fees are paid for parking; and there should be better security (security cameras); or the paying system should be put back in place. Most of the respondents are aware of petty theft in the shopping centres; but no major thefts are known to have occurred. One of the respondents indicated that he thinks it is a

	concern, because the shopping centres do allow firearms to be taken into the shopping centre.
6.19 Facilities for disabled people (parking, wheelchair access etc.)	Most of the respondents indicated that they believe there are adequate facilities for the disabled.
6.20 What irritates you when you are at the shopping centre?	The respondents had very personal opinions about the irritants; and the most verbal and recurring comments are listed: • Crowding is a big problem at Riverside Mall. • Parking and the security in the parking areas. • Not enough entrances. • Signage in the parking area, especially at Ilanga. • The lack of entertainment at Ilanga. • No excitement. • Small children running around. • The restaurants too full. • Ilanga are not as accessible if you are using public transport. • Not enough family restaurants. • Poor service from staff.
7. What suggestions do you have for the shopping centre to perform better or to attract you even more?	The respondents made the following suggestions: • Riverside Mall should extend to accommodate crowding. • Riverside Mall should allow kids (school groups) to visit the malls only on certain days at certain times. • More branded shops (Nike, Diesel, Levy etc.) • Security cameras should be installed – especially on the outside parking areas. • More excitement is required to draw different types of people. • Longer shopping hours. • Ilanga should provide entertainment, preferably movies. • Food court. • Entertainment and a stage, where people can perform. • Something different. • More research should be done on what the customer wants. • Bigger malls – like Menlyn. • Better organised. • More banks. • Upgrading.
8. Any one or more attribute you want to discuss?	The respondents mentioned that they felt at ease in the shopping centres; and that although the centres do not cater specifically for black people (hair salons, restaurants etc.)

	they do feel they belong there. The general feeling was that the shopping centres cater for the more educated black consumer-middle class. The respondents also indicated that: • "People want to go to the shopping centre to socialise; but neither of the centres provide that vibe". • "It is safer to shop in the shopping centres than in town". • "The shopping centres should excite and wow their customers". • "... no excitement and no creativity...".
9. General remarks	None.

The following insights were gained from the focus groups:

- Respondents indicated they visit the shopping centres for shopping, entertainment, as well as for socialising.
- All respondents interviewed visit the centres at least once per month; and the majority of them do so twice per month, or more.
- Reasons for preference of one shopping centre above the other were cited as, entertainment, accessibility, convenience and familiarity. A few respondents mentioned crowding as an irritant in one centre.
- The majority of respondents rated the shopping centres' atmosphere positive.
- Pricing and quality of merchandise, as well as level of service, are determined by individual stores.
- Variety in types of stores is a draw-card.
- Entertainment is an important element that the respondents expect in a shopping centre.
- Consumers feel relatively safe in the centres, but less so in the parking areas.
- Cleanliness of restrooms, facilities for the disabled, emergency services, and information desks were considered adequate; but it was obvious that most of the respondents were not interested in this, and that they would not be a determinant of shopping centre attractiveness to them.
- In general, the respondents felt that the shopping centres should offer excitement and something unique that they were not experiencing at the moment.

7.3 QUALITATIVE RESULTS: RESPONSES OF THE PERSONAL INTERVIEWS

The interviews were conducted with role-players in the development and marketing of shopping centres. The purpose of conducting these interviews was to obtain insight into the thinking that goes into the development of shopping centres, as well as to substantiate the contents of the questionnaire.

The cost and time constraints that are typical limitations on interviews, were applicable and a limited number of interviews were conducted.

7.3.1 Interview 1

The first interview was conducted at the premises of Urban Studies, Linden, Johannesburg, with Dr Dirk Prinsloo (2011), the managing director of Urban Studies, a market-research company specialising in property and urban markets. Urban studies have been involved in primary research at more than 240 shopping centres and have engaged in more than 1000 research projects involving retailing.

The first topic that was discussed was the feasibility of new developments. According to Prinsloo (2011), all new shopping centres should take due diligence and engage in feasibility studies to acquire an indication of future performance. However, many centres are not successful, because they do not "follow the roofs", a phrase coined by Prinsloo (2011) to indicate that the residential development in the areas should be sufficient to sustain the development. Prinsloo (2011) also indicated that his new view is that residential development also is not sufficient, but rather that these residences should also be occupied.

The second issue that Prinsloo (2011) raised was the issue of retail cannibalisation. One shopping centre would simple swallow the clientele of another centre, if they serve the same population with the same products. Prinsloo (2011) provided the researcher with copies of his research on cannibalism in shopping centres.

Black diamonds are definitely the new consumer group that should be taken into consideration in planning, according to Prinsloo (2011). Black diamonds are moving out of traditional black rural areas, and as they settle in suburban and urban areas are also moving into higher LSM groups.

Other important issues that were raised by Prinsloo (2011) were the marketing of shopping centres and the shopping behaviour of consumers. Most centres are marketed by dedicated marketing companies appointed by property owners who are centrally located and market a variety of shopping centres in different areas. The marketing company should make sure that they understand the needs and specific characteristics of the areas where the shopping centre are situated. Prinsloo (2011) further stated that shopping centres might differ in their classification; and that those shopping centres serve different consumer groups (see Chapter 2, Table 2.4).

Prinsloo provided the researcher with various publications that contained some previous studies in which he had assisted.

Insights gained from the interview:

- Before planning a new shopping centre, a proper feasibility study should be conducted.
- Many black consumers are moving unto higher LSM groups.
- Retail cannibalism is a symptom of bad planning.

7.3.2 <u>Interview 2</u>

An interview was conducted with the strategic and creative director, Me. Vanessa Fourie (2011), as well as the account executive, for Gauteng province, Me. Ndzalama Ngwenya (2011) of Purple Plumm Brand Communications. These interviews took place at the premises of Purple Plumm Brand Communications, Johannesburg.

Purple Plumm is a brand communication company that specialises in the launch and promotion needs of retailers. Their function in a shopping centre environment would start with a launch campaign, and then move on to an annual consumer-promotion campaign. Clients (shopping centres) require a strategic plan for the marketing and branding of a shopping centre. The focus is usually based on the key-performance areas of the client; but they also focus on the needs of the consumer.

In the case of a re-launch of a shopping centre after refurbishment, it often becomes a challenge if another company has already been involved in creating a brand.

Fourie (2011) related that she is not only involved in Purple Plumm Brand Communications, but is also a member of the SACSC and runs the educational programmes for them.

The researcher enquired whether they are involved when feasibility studies are conducted. Fourie (2011) commented that developers are not involved in marketing companies, when they plan and develop shopping centres. It seems the developers are not interested in the consumers at that stage. Although developers are moving to looking at psychographics, they are only concerned with the viability of a centre. The marketing companies conduct focus groups and use their own measures to determine what the consumers want. It seems that the developers will decide the type of retailers that they would like to see in the shopping centre.

Fourie (2011) indicated that the shopping centres built in traditional black areas are often lacking in entertainment. They believe that the consumers in the traditional black areas want movie theatres and other entertainment; but most of the time they do not support these. These shopping centres often serve consumer groups in the lower LSM brackets. According to Fourie (2011), many consumers in the traditional black areas are visiting the shopping centres to “hang” – and not to shop, or spend money. It becomes a meeting place; and that is why exhibitions and free entertainment over weekends are so well supported. Some of the clients (shopping centres) want to increase this type of entertainment and launches, but this costs money and the consumers (shoppers) don’t always want to spend their money. This attitude creates dwell time in the centres, but no shopping; and that is the chief reason why shopping centres will not do that every day or every week.

The issue of transport to and from the shopping centre was also discussed. According to Fourie (2011), when a black family visits a shopping centre, and they have to make use of a taxi, they cannot do their shopping and buy groceries and other things and transport that in the taxi. The trip would only be an outing, but no real money would be spent. Their experience has indicated that often unemployed people would visit a shopping centre and spend time there because they have nowhere to go, and nothing else to do.

One of the challenges that a marketing company faces in a shopping centre is that the chain retailers should stock the same merchandise. Consumers would complain if they expect to see certain items in a shop and they are not there, according to Fourie (2011).

Many black diamonds are status-conscious, and shoppers in a shopping centre would indicate that they want specific branded shops, but when the shops are introduced, they do not spend money with them, unless they can have credit. Fourie (2011) indicated that her company has experienced that most of the black consumers are aspirational shoppers.

The interview provided the following insights:

- Black consumers are often aspirational shoppers.
- Black consumers often patronise the shopping centre – just to socialise.
- Transport to and from the shopping centres is a problem for some black consumers that make use of public transport.
- Entertainment in shopping centres is mostly successful, if it is provided free, and sometimes black consumers would not be willing to pay for any form of entertainment.

7.3.3 <u>Interview 3</u>

An interview was conducted with Mr Gavin Tagg (2011), the Managing Director at Retail Network Services. This interview was conducted at the premises of Retail Network

Services, Johannesburg. Retail network Services is a full-service specialist retail strategist and leasing company offering a holistic and personalised service to retailers and developers.

Tagg (2011) explained the process that they follow when a new shopping centre is developed. They start off initially with the market research where they determine the size of the market, how many people there are, as well as the disposable income levels. He indicated there are usually about six categories of market research, entertainment, furniture, fashion, speciality purchases, banking, etc. From the market research, they would end up with certain categories and spending within those categories. They normally work on about a 15-20% market capture rate. Based on the turnovers and the potential of what people can do, they determine the size and the representation that each category should have in the shopping centre.

Based on the trade densities, which comprises the sales per m^2 per annum, it would determine the amount of, for instance, fashion, that might be in the shopping centre. This would also determine the size of the shopping centre. He indicated that they also look at income levels, and they then determine on what consumers spend their money. The merchandise should match the profile of spending.

Tagg (2011) further indicated that a part of the functions he performs is to also advise the developers on an appropriate tenant mix. The researcher asked why a store that is considered a low-end store, like PEP Stores, is often nowadays found in an up-market shopping centre. Tagg (2011) commented that PEP Stores constitute a curious case, because they service right across the entire market all the income groups, and they do exceptionally well. He further commented that often lower-end shops are situated in bigger shopping centres to draw a certain market; in the bigger shopping centres, there is also a large aspirational market. Consumers visit the shopping centres, and make maybe only one purchase at the other shops, and then move onto PEP Stores.

Tagg (2011) commented on the fact that black consumers pointed out a need for more entertainment in the shopping centres. He explained that the black consumers all indicate a need for entertainment; but their spending on entertainment is very low. He added that in fact, in the black market, the disposable income is spent mainly on food. Once the black consumers have done their food shopping, and have bought the necessities, the rest of their purchases would be on credit; while the rest of their money is spent paying off debt.

Even though entertainment is available in the shopping centres built in townships, nobody spends money on the entertainment. As an example, he cited that in one of the shopping centres in Soweto, Protea Gardens, which had started off with 10 fast food outlets, have recently cut it down to 4 or 5 maximum. This practice is now followed across the board in about 10-12 shopping centres in the traditional black areas. Tagg (2011) further indicated that there is just not enough money to spend on entertainment; cinemas will just not work in certain traditional black areas. Entertainment in those areas comprises just going to the shopping centre: the whole experience of just being there. He added that it is still very community-oriented.

According to Tagg (2011), their view on a variety of stores is that in the black market the tenant mix has to serve all aspects of that market. A small shopping centre or convenience shopping centre would have problems with turnover, because black consumers use public transport; and if they cannot find the full range of services that they need under one roof, they will do their shopping in the CBD.

The fact that shopping centres in traditionally white areas do not have taxi-ranks, but only drop-off points could constitute a deterrent to the black consumers. However, it also poses a security risk to the white consumers who prefer not to pass the taxi-ranks on their way in or out of the centre.

Tagg (2011) concluded the interview by explaining that he believes most of the issues with shopping centres are income-related, rather than cultural. In urban areas, there are, according to him, no big differences between white and black consumers; the differences are rather between different income groups. In urban townships and rural townships the situation is different; and the tenant mix sometimes needs to be adjusted to suit the situation. However, if a new centre is developed – even if it is a centre in a black community – it should mirror every other centre.

Consumers have been exposed to all the bigger urban shopping centres and retailers; developers are expected to give all consumers spot-on exactly the same. Adapting the centre to consumers' needs is not acceptable. He indicated that Woolworths has found that as well. Woolworths tried to adapt to the market, but it didn't work; consumers are quick to ask why their shop does not stock the same merchandise as the ones in the upmarket-shopping centres.

The interview provided the following insights:

- A large portion of black middleclass consumers are aspirational shoppers.
- Income levels will dictate spending patterns.
- Shopping centres in townships and rural areas should mimic centres in urban areas in terms of retail store and product ranges.
- Shopping centres in black areas should provide the consumers with a full range of products and services.
- Entertainment is often required, but not supported, in the shopping centres in urban and rural townships.

The insights obtained from the focus groups, as well as the personal interviews, were used as confirmation of the suitability of the questionnaire.

The findings of the questionnaire will now be discussed.

7.4 QUANTITATIVE RESULTS

7.4.1 <u>Realisation rate</u>

Data for the survey were obtained by using an intercept survey. The survey was carried out in the Riverside Mall, the shopping centre that was part of the study. Because there was no sample frame available, a non-probability convenience quota sampling method was used. To be able to obtain a more equal representation of gender and age groups quotas were set.

The data were collected in a cross-sectional survey over a two-day period from 9am to 3pm. The fieldworkers were informed of the quotas for age and gender groups. It was required of each fieldworker to interview an equal number of male and female shoppers.

The questionnaire was kept as short as possible, as shoppers are often in a hurry; and therefore, the refusal rate was minimal. A total number of 400 questionnaires were completed. Table 7.2 depicts the ratio between the genders of the respondents, as well as between the age groups of the respondents. It is evident that there was almost an equal distribution of male and female respondents; and almost half of the respondents were between the ages 25 to 40 years.

TABLE 7.2: GENDER AND AGE REPRESENTATION

DEMOGRAPHIC VARIABLE		PERCENTAGE OF RESPONDENTS
GENDER Male Female	 194 206	 48.50% 51.50%
TOTAL	**400**	**100%**
AGE 18-25 years 25-40 years 40+ years	 125 179 53	 35.10% 50.10% 14.80%
TOTAL	**357**	**100%**

7.4.2 Reliability

The research instrument relies on Likert scales to measure the perception of black African consumers of selected shopping centre attributes. Cronbach's alpha testing was used to determine the internal consistency or average correlation of the items in the questionnaire. Variables from questionnaires are confirmed reliable when they provide a constant and reliable response over a repeated administration of the test (Santos, 1999). As a rule-of-thumb, a reliability of 0.70 or higher is required for the instrument to be considered reliable (Pallant, 2010:100).

For this study, the Cronbach alpha coefficient was determined as 0.87.

7.5 QUANTITATIVE: DESCRIPTIVE RESULTS

The results will be presented question-by-question, as evident in the questionnaire (Appendix A). The discussion will include a descriptive analysis of frequencies and percentages.

Question 1: How often do you shop at Riverside Mall?

TABLE 7.3: FREQUENCY OF VISITS TO THE SHOPPING CENTRE

FREQUENCY OF VISITS	FREQUENCY (N)	CUMULATIVE FREQUENCY	PERCENTAGE	CUMULATIVE PERCENTAGE
At least once per week	248	248	62%	62%
At least once per month	103	351	26%	88%
At least once every three months	23	374	5%	93%
At least once every six months	12	386	3%	96%
Less than once every six months	14	400	4%	100%

Missing responses = 0

As indicated by Table 7.3, a total of 62% of the respondents visit Riverside Mall at least once per week. It is interesting to note that more than 88% of the respondents visit the shopping centre at least once a month. This gives an indication that the majority of the respondents are regular visitors.

Question 2: Read the following statements on the attributes or characteristics of this mall, and indicate the extent to which you agree/disagree on a six-point scale.

This question asked the respondents to indicate their response on a 6-point Likert scale rating from 1= strongly disagree to 6 = strongly agree. For the sake of ease in the analysis of the data, this scale was reduced to three points – by combining the strongly disagree and disagree, the slightly disagree with the slightly agree, and the strongly agree and agree. The frequencies are represented in Table 7.4.

TABLE 7.4: ATTRIBUTES AND CHARACTERISTICS OF THE SHOPPING CENTRE

STATEMENTS ON ATTRIBUTES AND CHARACTERISTICS	PERCENTAGE RESPONDENTS IN EACH CELL		
	Strongly disagree & disagree	Slightly disagree & slightly agree	Strongly agree & agree
Wide variety of stores available (V3)	9.50	24.00	66.50
Quality merchandise are sold by stores (V4)	2.75	15.25	82.00
General atmosphere is pleasant (V5)	6.50	20.00	73.50
Special events are often hosted (V6)	25.00	31.25	43.75
Clear signage is used (V7)	9.00	20.00	71.00
General layout of the mall is good (V8)	5.00	19.00	79.00
Convenient shopping hours are kept (V9)	8.75	18.50	72.75
Adequate parking is available (V10)	3.50	11.50	85.00
Good accessibility from parking area (V11)	2.75	17.25	80.00
Decor in the mall is attractive (V12)	4.00	18.50	77.50
Entertainment provided is adequate (V13)	9.25	26.50	64.25
Necessary emergency services are available (V14)	21.25	23.75	55.00
Information help desks are available (V15)	17.50	20.00	62.50
The mall is accessible from the main routes (V16)	3.50	24.25	72.25
Level of security is good (V17)	4.00	13.50	82.50
Overall cleanliness is satisfactory (V18)	2.00	11.00	87.00
Wide variety of services are available (V19)	4.50	24.00	71.50
Sufficient facilities for disabled people are available (V20)	16.75	22.25	61.00
The general quality of service provided by stores is good (V21)	6.75	18.50	74.75
The mall is spacious enough to accommodate crowds (V22)	17.75	20.75	61.50

Missing responses = 0

*V = variable in the questionnaire

Table 7.4 provides the following insights:

- The majority of the respondents indicated their agreement with all the statements made in question 2.
- A total of 56.25% of the respondents do not agree that special events and exhibitions are held regularly.
- Only 21.25% of the respondents felt that adequate emergency services are not available.

- On the question of sufficient facilities for disabled people, 16.75% did not agree at all; and a further 22.25% only slightly agreed/disagreed.

- Crowding seems to be a problem for 17.75%, and a slight problem to another 20.75% of the respondents.

- The statements with which most of the respondents agreed were the cleanliness of the shopping centre (87%), and adequate parking (85%).

Question 3: Rate the overall attractiveness of Riverside Mall using a scale of 1 to 10 where 1 = "not attractive at all' and 10 = "extremely attractive".

TABLE 7.5: OVERALL ATTRACTIVENESS OF THE SHOPPING CENTRE

RATING FOR THE ATTRACTIVENESS	FREQUENCY	CUMULATIVE FREQUENCY	PERCENTAGE	CUMULATIVE PERCENTAGE
01	1	1	0.25%	0.25%
02	4	5	1.00%	1.25%
03	5	10	1.25%	2.50%
04	12	22	3.00%	5.50%
05	26	48	6.50%	12.00%
06	29	77	7.25%	19.25%
07	66	143	16.50%	35.75%
08	96	239	24.00%	59.75%
09	90	329	22.50%	82.25%
10	71	400	17.75%	100.00%

Missing responses = 0

Only 12% of the respondents rated the attractiveness at less than five (5) on the 10 point scale. A total of 64.25% of the respondents rated Riverside Mall eight (8) or more, which indicates that they find the shopping centre very attractive.

Question 4: How far did you travel to visit the mall? Indicate in km.

This question was an open-ended question. Coding was done after placing the distances in categories.

TABLE 7.6: DISTANCE TRAVELLED TO THE SHOPPING CENTRE

DISTANCE TRAVELLED	FREQUENCY	CUMULATIVE FREQUENCY	PERCENTAGE	CUMULATIVE PERCENTAGE
0 - 20 km	125	125	37.76%	37.76%
> 20 – 40 km	100	225	30.21%	67.98%
> 40 – 100 km	75	300	22.66%	90.63%
> 100 km	31	331	9.37%	100.00%

Missing responses = 69

Most of the respondents, 68%, travelled less than 40km to visit the shopping centre. This suggests that most of the respondents are locals or residents of the greater Nelspruit area. Only 9.37% or 31 of the respondents indicated that they travelled more than 100km. The shopping centre is situated next to the government buildings; it is possible that some of the respondents came from other districts to attend meetings at the government buildings, and then also visited the shopping centre for shopping or food.

Question 5: What mode of transport do you use to travel to the mall?

This was an open-ended question. After the data were analysed, the answers were grouped into 5 categories: private car, bus transport, taxi, walk and “other’.

TABLE 7.7: MODE OF TRANSPORT USED TO TRAVEL TO THE SHOPPING CENTRE

MODE OF TRANSPORT	FREQUENCY	CUMULATIVE FREQUENCY	PERCENTAGE	CUMULATIVE PERCENTAGE
Private car	175	175	43.75%	43.75%
Public bus transport	135	310	33.75%	77.50%
Taxi	83	393	20.75%	98.25%
Walk	6	399	1.50%	99.75%
Other	1	400	0.25%	100.00%

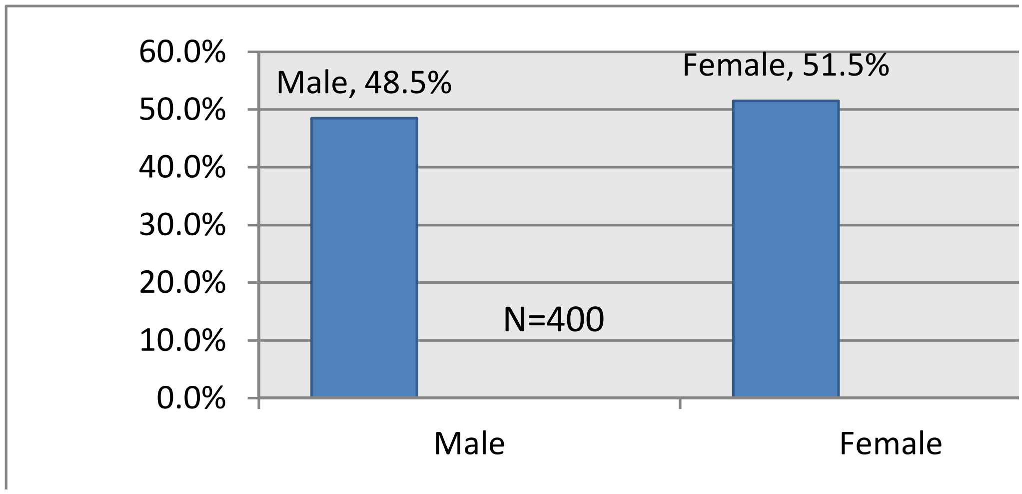
Missing responses = 0

As indicated by Table 7.7, public transport (bus and taxis) make up 54.50% of the transport modes. The rest of the respondents indicated that they travelled by private vehicle, and only 6 indicated that they have walked. As mentioned there are a number of office blocks and businesses in the vicinity. It is possible that the respondents walked from their place of business to the shopping centre.

Question 6: What is your gender?

An almost equal number of male and female respondents were approached, as reflected in Figure 7.1.

FIGURE 7.1: GENDER OF RESPONDENTS



Question 7: What is your age?

This question was an open-ended question and answers were grouped into 3 categories.

TABLE 7.8: AGE DISTRIBUTION OF RESPONDENTS

AGE	FREQUENCY	CUMULATIVE FREQUENCY	PERCENTAGE	CUMULATIVE PERCENTAGE
18 - 25 years	125	125	35.01%	35.01%
26 – 40 years	179	304	50.14%	85.15%
41 + years	53	357	14.85%	100.00%

Missing responses = 43

More than 85% of the respondents were between the ages of 18 and 40. More than 50% of the respondents were between the ages of 25 and 40 years of age. Only one respondent was above the age of 60.

7.6 QUANTITATIVE: RESEARCH OBJECTIVES AND HYPOTHESES RESULTS

7.6.1 Primary research objective

The primary objective of this study was to determine the perceptions of black African consumers regarding the attractiveness of a shopping centre in Nelspruit, a city in the Mpumalanga province of South Africa.

Table 7.9 depicts the mean scores (M), as well as the standard deviation (SD) of each attribute in ranking order. Mean scores are average scores computed from all the responses on a particular attribute. Standard deviation indicates the spread of the answers. A high standard deviation implies that there is a wide spread in data – suggesting that there is not a high level of agreement on the attractiveness of those attributes.

TABLE 7.9: DESCRIPTIVE STATISTICS – MEAN SCORES AND STANDARD DEVIATIONS

ATTRIBUTES	N	MEAN (M)	STANDARD DEVIATION (SD)
Overall cleanliness is satisfactory (V18)	400	5.42	0.93
Level of security is good (V17)	400	5.25	1.08
Adequate parking is available (V10)	400	5.25	0.98
Good accessibility from parking area (V11)	400	5.17	1.00
Quality merchandise is sold by the stores (V4)	400	5.09	0.95
Decor in the mall is attractive (V12)	400	5.04	1.04
General layout of the mall is good (V8)	400	4.95	1.15
The mall is accessible from the main routes (V16)	400	4.95	1.08
Wide variety of services are available (V19)	400	4.93	1.14
The general quality of service provided by stores is good (V21)	400	4.92	1.21
General atmosphere is pleasant (V5)	400	4.89	1.24
Convenient shopping hours are kept (V9)	400	4.86	1.34
Clear signage is used (V7)	400	4.81	1.33
Wide variety of stores available (V3)	400	4.69	1.33
Entertainment provided is adequate (V13)	400	4.67	1.35
Sufficient facilities for disabled people are available (V20)	400	4.50	1.62
The mall is spacious enough to accommodate crowds (V22)	400	4.45	1.62
Information help desks are available (V15)	400	4.42	1.57
Necessary emergency services are available (V14)	400	4.21	1.69
Special events are often hosted (V6)	400	3.88	1.59

Missing responses = 0

Table 7.9 gives a summary of the perceptions of consumers regarding the identified attractiveness factors in the shopping centre. It clearly indicates that consumers are very satisfied with the cleanliness (M=5.42), security (M=5.25) and parking facilities (M=5.25) at the Riverside Mall. The three factors with which they were least satisfied were the information desks (M=4.42), emergency services (M=4.21), and the hosting of special events (M=3.88).

The element on which respondents feel most positive, cleanliness (M=5.42, SD=0.93), also has the lowest standard deviation. This implies that most of the respondents were in agreement that the cleanliness in the shopping centre was satisfactory. Riverside Mall has various entertainment facilities; although entertainment seems to be one of the attributes with the lowest mean value it is still perceived as attractive, (M=4.67, SD=1.35). Special events are often regarded as a form of entertainment, and the respondents indicated the lowest satisfaction with the hosting of special events. Just like with the entertainment attribute the low satisfaction compared to other attributes do not imply dissatisfaction.

The standard deviation of the attributes relating to crowding (SD=1.62) and emergency services (SD=1.69) is high, which implies that the respondents differed in their responses.

When a respondent does not make use of services, like the helpdesk, medical emergency services or disability facilities, the respondent might either indicate a positive response or an indifferent response. These three items had a low mean score and a high standard deviation. Facilities for disabled people (M=4.5, SD=1.62), the availability of information desks (M=4.42, SD=1.57) and the availability of emergency services (M=4.21, SD=1.69).

7.6.2 Secondary research objectives

The secondary objectives of the study were:

- To describe the demographical profile of respondents.
- To determine which modes of transport are used by shoppers when visiting the shopping centre.
- To determine the distance travelled to the shopping centre.
- To determine the frequency of visits to the shopping centre.
- To determine the overall attractiveness of the shopping centre.

- To determine if subgroups / factors exist among the shopping centre attributes.
- To determine if there are significant demographical (gender and age) and patronage behaviour (distance travelled and frequency of visits) differences and the shoppers' perceptions of the attractiveness of the shopping centre.
- To determine the effect of the various shopping centre attractiveness factors on the overall attractiveness of the shopping centre.

The first five secondary objectives were addressed in section 7.4. in the descriptive results. The remaining secondary objectives will now be addressed.

7.6.3 <u>Factor analysis: To determine if subgroups/factors exist</u>

Factor analysis was used to discover the presence of underlying variables. This was done by measuring other variables that suggest the existence of the supposed underlying variables; and lastly, factor analysis reduces sets of intricate data – without compromising the reliability of the data – into fewer sets of manageable data (Pallant, 2010:181).

According to Pallant (2010:187), the underlying assumptions of factor analysis are:

- The size of the sample should be at least 150+; therefore, the sample size of this study is sufficient as it is 400.

- The second assumption refers to the factorability of the correlation matrix; the correlations should be r = 0.3 or greater; and the Kaiser-Meyer-Olkin (KMO) value should be 0.6 or above. In this study, the correlations were all greater than 0.3 (see Tables 6.10 and 6.13) and the KMO equalled 0.89. The Bartettt test of sphericity (p< .05) was significant.

- Linearity: No evidence of curvilinear relationships exists; and the sample size was big enough to proceed.

- Outliers: All the outliers were removed during the data-screening process.

The principal component analysis that was performed revealed the presence of four components with *eigenvalues* exceeding 1, explaining 30.81%, 7,06%, 6,93%, 6,01% and of the variance, respectively. This implies that four factors should be retained, using the *mineigen* (minimum *eigenvalue*) criterion, which states that only components with *eigenvalues* above 1 should be retained. Components with *eigenvalues* less than 1 account for less variance than the original variable and are therefore of little use. The four factors explain a total of 50.82% of the variance.

Table 7.10 provides the *eigenvalues* in the four-factor analysis.

TABLE 7.10: EIGENVALUES OF THE CORRELATION MATRIX (four factors)

	EIGENVALUE	DIFFERENCES	PROPORTION	CUMULATIVE
1	**6.16272415**	4.75074839	0.3081	0.3081
2	**1.141197576**	0.02552499	0.0706	0.3787
3	**1.38645077**	0.18435869	0.0693	0.4481
4	**1.20209208**	0.17080188	0.0601	**0.5082**
5	1.031129020	0.08278564	0.0516	0.5597
6	0.94850457	0.10160057	0.0474	0.6072
7	0.84690399	0.06694943	0.0423	0.6495
8	0.77995456	0.02870709	0.0390	0.6885
9	0.75124747	0.05819150	0.0376	0.7261
10	0.69305597	0.09218497	0.0347	0.7607
11	0.60087100	0.03795420	0.0300	0.7908
12	0.56291681	0.023218801	0.0281	0.8189
13	0.53972880	0.02569684	0.0270	0.8459
14	0.51403196	0.01199337	0.0257	0.8716
15	0.50203859	0.02789396	0.0251	0.8967
16	0.47414463	0.02572114	0.0237	0.9204
17	0.44842349	0.02800412	0.0224	0.9428
18	0.42041937	0.02431620	0.0210	0.9638
19	0.39610317	0.06898049	0.0198	0.9836
20	0.32712268		0.0164	1.0000

After factor rotation by means of the procrustes method, four factors were identified. The use of factor rotation is performed to assist in the identification of the factors underlying a set of observed variables (Iacobucci & Churchill, 2010:502).

TABLE 7.11: RESULTS OF THE ROTATED FACTOR PATTERN

	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4
Emergency services (V14)	**0.71508**			
Disabled facilities (V20)	**0.57488**			
Entertainment (V13)	**0.54676**			
Special events (V6)	**0.50405**			
Spaciousness (V22)	**0.50229**			
Quality merchandise (V4)		**0.73327**		
Variety of stores (V3)		**0.68714**		
Atmosphere (V5)		**0.61679**		
Service quality at stores (V21)		**0.48688**		
Cleanliness (V18)			**0.75402**	
Information desks (V15)			**0.69073**	
Accessibility (V16)			**0.65563**	
Security (V17)			**0.61439**	
Variety of services (V19)			**0.49957**	
Adequate parking (V10)				**0.89170**
Accessibility from parking (V11)				**0.81330**
Shopping hours (V9)				**0.50999**
General layout (V8)				**0.47716**
Decor (V12)				**0.46004**
Signage (V7)				**0.40212**

The factors that were identified need to be named or labelled by using the commonalities that can be identified in each factor. Table 7.12 summarises the factor dimensions.

TABLE 7.12: SUMMARY OF THE FOUR FACTOR DIMENSIONS

	DESCRIPTION
Factor 1 (F1): Entertainment and facilities	Special events
	Entertainment
	Emergency services
	Facilities for disabled people
	Spaciousness
Factor 2 (F2): Quality and atmosphere	Variety of stores
	Quality merchandise
	General atmospherics
	Quality of services
Factor 3 (F3): Convenience	Information desks
	Accessibility from the main routes
	Level of security
	Overall cleanliness
	Variety of services
Factor 4 (F4): Way-finding and decor	Clear signage
	General layout
	Shopping hours
	Parking facilities
	Accessibility from parking area
	Decor

The variables listed for Factor 1 (F1) can be grouped together under the heading, entertainment and facilities. The services comprise emergency services (V14), such as medical care and fire escapes, as well as facilities for disabled people (V20) that would include access, as well as parking. The second variable is entertainment. This entertainment (V13) comprises movie theatres, restaurants and game arcades, as well as special events (V6), exhibitions and live entertainment. The third attribute relates to the space concept (V22) and would translate into crowding issues. This factor is similar to Bellenger *et al*. (1977) 'presence of related services' and Ganesh *et al*. (2007) 'enhancements' dimensions.

Factor 2 (F2) relates to quality and atmospherics. The atmosphere of a shopping centre relates to music, odours and climate control (V5). The attributes that relate to quality and variety speak about the variety of the stores (V3), or the tenant mix, and the general quality of merchandise (V4) and services (V21) offered by the individual stores. This factor resembles Bellenger *et al*. (1977) 'quality of the centre' and Ganesh *et al*. (2007) 'mall store quality' dimensions.

The dimensions that are evident in Factor 3 (F3) include: maintenance, service offering, security and accessibility. These all speak to the element of convenience and correspond with Ganesh *et al*. (2007) 'convenience' factor. Maintenance encompasses the cleanliness (V18) of the shopping centre in general. Service offer refers to the additional services (V19) that is offered in the shopping centre; and this would include *inter alia* hairdressers, post offices and medical practitioners. Security (V17) relates to the safety of consumers as they embark on their shopping in the centre or the car park. The last dimension includes the availability of information desks (V15), as well as the accessibility (V16) of the shopping centre from the main routes.

Factor 4 (F4) speaks to shopping hours, way-finding and decor. Shopping hours (V9) relate to the hours that the retailers are available for business, as well as the hours that the entertainment facility would be accessible. The way-finding dimension includes clear signage (V7) and the layout (V8) of the shopping centre, as well as the availability (V10) and accessibility (V11) of the car parks. The decor (V12) relates to the building, colours used within the building, and the general decor used during the year to mark special events, like Valentine's Day and Christmas.

TABLE 7.13: INTERNAL CONSISTENCY OF THE FACTORS

FACTOR	CRONBACH ALPHA
Factor 1 (F1): Entertainment and facilities	0.72
Factor 2 (F2): Quality and atmospherics	0.69
Factor 3 (F3): Convenience	0.73
Factor 4 (F4): Way-finding and décor	0.73

The use of Cronbach's alpha gives an indication of the measure of reliability. The values range from 0 to 1; and values of 0.7 are regarded as the lower limit of acceptability (Hair *et al.,* 2010:92). As may be seen from Table 7.13, all the factors had a Cronbach alpha of approximately 0.7; and they can, therefore, be considered acceptable.

7.6.4 Hypotheses

The last objective is to determine if there are significant differences between gender, age, distance travelled and frequency of visits and the perceptions of shoppers of the attractiveness of the shopping centre.

The process that was followed unfolded as follows: statistical hypotheses were set, through the formulation of null and alternative hypotheses. The significance level indicates the critical value that shows the percentage of sample means that fall outside the cut-off limit (Aaker *et al*, 2011:404). All hypotheses were tested on a 5% significance level (α=0.05).

Thereafter, a suitable statistical test was chosen and after the test was conducted, a decision was made on the acceptance or rejection of the null hypothesis.

For the purpose of this study, the parametric tests were conducted; and in the instances where the assumptions were violated the non-parametric alternatives were used.

Shopping centre attractiveness and gender

Hypothesis 1:

H_0: Male and female shoppers' perceptions do not differ regarding the overall attractiveness of the shopping centre.

H_1: Male and female shoppers' perceptions differ regarding the overall attractiveness of the shopping centre.

An independent-sample t-test was conducted, as all the assumptions were met, to compare male and female perceptions of the overall attractiveness of the shopping centre. There were no significant difference in scores for males ($M = 7.72$, $SD = 1.96$) and females ($M = 7.91$, $SD = 1.63$); $t(398) = -1.06$, $p = 0.29$. The magnitude of the difference in the means = 0.19, with a 95% confidence interval, was very small. Eta squared = 0.003, this implies that only 0.3% of the variance in the perception of attractiveness is explained by gender.

Thus there is no support to accept H_1.

Hypothesis 2:

H_0: Male and female shoppers do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

H_2: Male and female shoppers differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

After applying factor analyses to the attributes, four factors were identified and named (see section 7.6.3). These factors will be used to determine whether significant differences exist between the identified groups; and for this purpose, four (4) sub-hypotheses were formulated. The researcher opted not to use the parametric independent sample t-test, due to the violations of the assumptions stipulated in Chapter 6, but rather to use the non-parametric Mann-Whitney U test.

The assumptions for non-parametric tests (as discussed in Chapter 6, section 6.10.5) were met.

H_{2a}: Male and female shoppers differ with regards to their perceptions of the attractiveness of the entertainment and facilities factor of the shopping centre.

The first factor (F1), entertainment and facilities, includes the variables identified in questions V6, V13, V14, V20 and V22 (special events, entertainment, emergency services, disabled parking, and spaciousness).

The results of the Mann-Whitney U test were as follows:
Male (M=4.36; SD=1.054)
Female (M=4.33; SD=1.108)
U=19691, Z= -0.252, p=0.801, r=0.01
This indicates that there is no statistically significant difference between the perceptions of male and female consumers on the attractiveness of entertainment and facilities. H_{2a} is therefore rejected.

H_{2b}: Male and female shoppers differ with regards to their perceptions of the attractiveness of the quality and atmospherics factor of the shopping centre.

The second factor (F2), quality and atmospherics, that was considered, relates to variables covered in questions V3, V4, V5 and V21 (variety of stores, quality of merchandise, general atmosphere and quality of services).

The results of the Mann-Whitney U test had the following outcomes:
Male (M=4.85; SD=0.808)
Female (M=4.93; SD=0.895)

U=18326, Z=-1.441, p=0.150, r=0.07

This p-value that is greater than 0.05 implies that there is statistically no significant difference in the perception of males and females to the attractiveness of quality and atmospherics. The H_{2b} hypothesis is, therefore, rejected.

H_{2c}: Male and female shoppers differ with regards to their perceptions of the attractiveness of the convenience factor of the shopping centre.

Factor 3 (F3) refers to variables V15, V16, V17, V18 and V19 (information desks, accessibility, security, cleanliness and variety of services). This factor is referred to as the convenience factor.

The Mann=Whitney U test produced the following results:
Male (M=5.00; SD=0.762)
Female (M=4.98; SD=0.866)
U=19689, Z=-0.254, p=0.799, r=0.0
The p-value is greater than 0.05 and therefore it can be concluded that there is no significant difference in the perceptions of male and female consumers regarding the attractiveness of the factor of convenience. H_{2c} is thus rejected.

H_{2d}: Male and female shoppers differ with regards to their perceptions of the attractiveness of the way-finding and decor factor of the shopping centre.

The fourth factor, F4, relates to the way-finding and decor in the shopping centre. F4 recounts the attractiveness factors; adequate signage (V7), good layout (V8), convenient shopping hours (V9), sufficient parking facilities (V10), accessibility from parking area (V11) and attractive decor (V12) in the questionnaire.

A Mann-Whitney U test revealed no significant differences in the perceptions of males (M=5.02; SD=0.700) and females (M=5.00; SD=0.791) shoppers regarding the attractiveness of the way-finding and decor factor U=19835, Z=-0.128, p=0.898, r=0.01

The high *p*-value (above 0.05) implies that the H_{2d} hypothesis should be rejected.

The overall finding in hypothesis 2 supports the finding in hypothesis 1 where there was no significant difference between the perceptions of male and female consumers of the overall attractiveness of the shopping centre.

Shopping centre attractiveness and age
Hypotheses 3 and 4:

H_0: Shoppers of different age categories perceptions do not differ regarding the overall attractiveness of the shopping centre.

H_3: Shoppers of different age categories perceptions differ regarding the overall attractiveness of the shopping centre.

A one-way between groups ANOVA was conducted as all the assumptions were met and the Levene's test for homogeneity of variance was not significant (Sig=0.673).

TABLE 7.14: MEAN VALUES AND STANDARD DEVIATIONS

AGE GROUPS	MEAN (M)	STANDARD DEVIATION (SD)
18-25	7.66	1.883
26-40	8.02	1.753
41+	7.74	1.831

There was no statistical significant differences for the three age groups: F(2.357)=1.52, *p*=0.219; concerning the overall attractiveness. H_3 is therefore rejected.

H_0: Shoppers of different age categories perceptions do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

H_4: Shoppers of different age categories perceptions differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

The four factors identified and labelled in the factor analysis (see section 7.6.3) will be used to determine if any significant differences exist between the identified age groups.

Age groups were divided, according to the ages that the respondents indicated, into three distinct groups: 18 – 25 years, 26 – 40 years and 41+ years. As the assumptions for ANOVA were violated the non-parametric Kruskal-Wallis test was used. The *post hoc* tests conducted for the Kruskal-Wallis was a series of Mann-Whitney tests and for the remainder of this document will be referred to *post hoc* tests.

The following sub-hypotheses were set.

H_{4a}: Shoppers of different age categories perceptions differ with regards to their perceptions of the entertainment and facilities factor of the shopping centre.

The first factor that was tested is F1, entertainment and facilities, which includes variables identified on questions V6, V13, V14, V20 and V22 (special events, entertainment, emergency services, disabled parking, and spaciousness). The results indicated a significant difference, on the 5% level of significance, in the perceptions of variables included in factor 1 as indicated:
(Gr1, n=125: 18-25 y, Gr2, n=179: 26-40 y, Gr3, n=53: 41+ y) X^2 (2, n=357) = 7.52, p=0.0233.

P*ost hoc* tests were conducted to determine where the difference lay between the various age groups.

TABLE 7.15: MEAN VALUES AND *POST HOC* RESULTS

AGE GROUP	MEAN (M)
18-25 y	4.20^{cd}
26-40 y	4.54^{ad}
40+y	4.39^{b}

*** The results of the *post hoc* tests are indicated with $^{a,\, b,\, c}$ or/and ^{d}.**
All mean values containing the same letters indicate that the groups differ significantly from each other.

The tests indicated that age group 26 to 40 years perceived the factor as more attractive than shoppers in the 18 to 25 year age group. All mean values containing different letters indicate that these groups do not differ significantly from one another. The *p* value that is less than 0.05 indicates a significant difference and hypothesis H_{4a} is thus accepted.

H_{4b}: Shoppers of different age categories perceptions differ with regards to their perceptions of the quality and atmospherics factor of the shopping centre.

The second factor (F2), quality and atmospherics, that was considered, relates to the variables covered in questions V3, V4, V5 and V21 (variety of stores, quality of merchandise, general atmosphere and quality of services). The results of the Kruskal Wallis test are as follows: (Gr1, n=125: 18-25 y, Gr2, n=179: 26-40 y, Gr3, n=53: 41+ y) X^2 (2, n=357) = 7.09, p=0.0288. The p-value implies that there is a significant difference in the perceptions of quality and atmospherics, across the different age groups of shoppers at a significance level of 5%.

P*ost hoc* tests were conducted to determine where the difference lay between the various age groups.

TABLE 7.16: MEAN VALUES AND *POST HOC* RESULTS

AGE GROUP	MEAN
18-25 y	4.76^{a}
26-40 y	5.05^{ab}
40+ y	5.06^{c}

*** The results of the *post hoc* tests are indicated with $^{a, b, c}$ or/and ^{d}.**
All mean values containing the same letters indicate that the groups differ significantly from each other.

The *post hoc* tests indicated that shoppers in the age group 18 to 25 years perceived the attributes related to quality and atmospherics as less attractive than shoppers in the 26 to 40 years age group. H_{4b} is thus accepted.

H_{4c}: Shoppers of different age categories perceptions differ with regards to their perceptions of the convenience attractiveness attributes of the shopping centre.

The third factor, F3, relates to convenience. This refers to variables that are covered in the questionnaire under V15, V16, V17, V18 and V19 (information desks, accessibility, security, cleanliness and variety of services). Results were obtained from a Kruskal Wallis test. These results are as follow: (Gr1, *n*=125: 18-25 y, Gr2, *n*=179, 26-40 y, Gr3, *n*=53, 40+ y) X^2 (2, *n*=357) = 7.31, *p*=0.0259.

There is a significant difference in the perceptions of consumers on the convenience factor across the age groups of shoppers.

P*ost hoc* tests were conducted to determine where the difference lay between the various age groups.

TABLE 7.17: MEAN VALUES AND *POST HOC* RESULTS

AGE GROUP	MEAN
18-25 y	4.98^{ab}
26-40 y	5.14^{ad}
40+ y	4.80^{cd}

*** The results of the *post hoc* tests are indicated with [a, b, c] or/and [d].**
All mean values containing the same letters indicate that the groups differ significantly from each other.

The results of the *post hoc* tests are indicated that shoppers in the age group 26-40 years perceived the convenience factor as more attractive than shoppers in the other age groups. The *p*=0.0259 value that is below the minimum level of 0.05 implies a significant difference in perceptions. H_{4c} is therefore accepted.

H_{4d}: Shoppers of different age categories perceptions differ with regards to their perceptions of the way-finding and decor factor of the shopping centre.

The fourth factor, F4, relates to the way-finding and decor in the shopping centre. This factor recounts the attractiveness factors contained in V7, V8, V9, V10, V1 and V12 (signage, layout, shopping hours, parking facilities, accessibility from parking area and decor) in the questionnaire.

The Kruskal Wallis tests: (Gr1, n=125: 18-25 y, Gr2, n=179: 26-40 y, Gr3, n=53: 40+ y) X^2 (2, n=357) = 3.49, p=0.1750. The p value that is above the minimum level of 0.05 implies that the age of the shopper does not play a role in the perceptions on way-finding and décor; and H_{4d} is therefore rejected.

Hypothesis 4 is partially supported and it seems as if age play a role in the perceptions of shopping centre attributes.

Shopping centre attractiveness and frequency of visits
Hypotheses 5 and 6:

H_0: **Shoppers visiting the shopping centre at different intervals perceptions do not differ regarding the overall attractiveness of the shopping centre.**

H_5: **Shoppers visiting the shopping centre at different intervals perceptions differ regarding the overall attractiveness of the shopping centre.**

The frequency of visits groups that were identified were: visits at least once per week (Gr1), visits at least once per month (Gr2) and visits once every three months or less (Gr3).

A one-way, between groups ANOVA was conducted as the assumptions for normality was met and the Levene's test results showed no-significance (Sig=0.168).

TABLE 7.18: MEAN VALUES AND STANDARD DEVIATIONS

FREQUENCY OF VISITS	MEAN (M)	STANDARD DEVIATION (SD)
Weekly	7.911	1.742
Monthly	7.660	1.785
Once per three months or less	7.653	2.067

There was no statistical significant differences between the perceptions of shoppers visiting the shopping centre at different intervals, of the overall attractiveness of the shopping centre: F(2.400)=0.938, p=0.392. H_5 is thus rejected.

The frequency of visits is tested against the four factors that were identified in the factor analysis stage of the research analysis. Non-parametric Kruskal-Wallis tests for one-way between-groups analysis of variance were chosen by the researcher because the assumptions for ANOVA tests were not met.

H_0: **Shoppers visiting the shopping centre at different intervals do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

H_6: **Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.**

H_{6a}: **Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the entertainment and facilities factor of the shopping centre.**

A Kruskal Wallis test revealed the following results: (Gr1, *n*=248: 1 x week, Gr2, *n*=103: 1 x month, Gr3, *n*=49: 1 x 3 months or less) X^2 (2, *n*=400) = 7.8, *p*=0.02. The *p* value that is below 0.05 indicates that there is a significant difference in the perceptions of shoppers of variables related to entertainment and facilities.

TABLE 7.19: MEAN VALUES AND *POST HOC* RESULTS

FREQUENCY OF VISITS	MEAN
Weekly	4.47^{cd}
Monthly	4.18^{ad}
Once per three months or less	4.07^{bc}

*** The results of the *post hoc* tests are indicated with $^{a, b, c}$ or/and ^{d}.**
All mean values containing the same letters indicate that the groups differ significantly from each other.

The *post hoc* tests indicated that shoppers that visit the shopping centre at least once per week perceived the factor as more attractive than visitors who visited the centre less often. H_{6a} is therefore accepted.

H_{6b}: Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the quality and atmospherics factor of the shopping centre.

The results for the Kruskal Wallis for quality and atmospherics and frequency of visits were:
(Gr1, *n*=248: 1 x week, Gr2, *n*=103: 1 x month, Gr3, *n*=49: 1 x 3 months or less) X^2 (2, *n*=400) = 1.54, *p*=0.464.

The *p* value of 0.464 indicates no significant difference as it is above 0.05. It seems as if the frequency of visits to the shopping centre does not play a role in the perceptions of shoppers about the attractiveness of quality and atmospherics. H_{6b} is therefore rejected.

H_{6c}: Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the convenience factor of the shopping centre.

The results of the Kruskal Wallis test for the convenience factor and frequency of visits were as follows:
(Gr1, *n*=248: 1 x week, Gr2, *n*=10: 1 x month, Gr3, *n*=49: 1 x 3 months or less) X^2 (2, *n*=400) = 1.35, *p*=0.510. The *p* value of 0.510 indicates that there is no significant diffwerence as it is above the 0.05 value.

This implies that the frequency of visits to the shopping centre does not play a role in shoppers' perceptions of convenience. H_{6c} will therefore be rejected.

H_{6d}: Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the way-finding and decor factor of the shopping centre.

The results of the Kruskal Wallis test for frequency of visits and way-finding and decor were:

(Gr1, n=248: 1 x week, Gr2, n=103, 1 x month, Gr3, n=49, $\leq$ 1x 3 months or less) X^2 (2, n=400) = 0.43, p=0.808.

The p value of 0.808 thus is above 0.05 and it indicates no significant differences. Therefore, we will reject H_{6d}.

Thus hypothesis 6 is not supported. The only indication of significant differences was found in the perceptions on entertainment and facilities.

Shopping centre attractiveness and distance travelled
Hypothesis 7 and 8:

H_0: Shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre do not differ.

H_7: Shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre differ.

A one-way between groups ANOVA test was conducted to determine if a significant difference exists between the shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre. The Levene's test showed no-significance (Sig=0.105) and the normality assumption were met.

TABLE 7.20: MEAN VALUES AND STANDARD DEVIATIONS

DISTANCE TRAVELLED	MEAN (M)	STANDARD DEVIATION (SD)
0 – 20 km	7.71	1.726
21 – 40 km	7.71	1.759
41+ km	7.72	2.077

The ANOVA test results indicated: F(2.33)=0.002, p=0.998. No significant difference at the 5% level of significance exists between the distance shoppers travelled to the shopping centre and the perceptions of attractiveness of the shopping centre exist. H_7 is thus rejected.

A Kruskal-Wallis test was conducted to test for differences that relate to the distance travelled to the shopping centre and the four attractiveness factors. The groups that were identified are: 0-20 km (Gr1), 21-40 km (Gr2), and 41+ km (Gr3).

H_0: Shoppers travelling various distances to the shopping centre do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

H_8: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.

The following sub-hypotheses were developed:

H_{8a}: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the entertainment and facilities factor of the shopping centre.

After conducting a Kruskal-Wallis test for significant differences between distance travelled and the influence on perceptions of attractiveness of entertainment and facilities, the following results were obtained:
(Gr1, n=125: 0-20 km, Gr2, n=100: 21-40 km, Gr3, n=106: 41+ km) X^2 (2, n=331) = 3.04, p=0.2183. The p value of 0.2183 indicated no significant difference.

Thus distance travelled does not play a role in the perception of shoppers on the attractiveness of attributes associated with entertainment and facilities. The H_{8a} hypothesis is therefore rejected.

H_{8b}: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the quality and atmospherics factor of the shopping centre.

The Kruskal-Wallis test that was performed produced the following results: (Gr1, n=125: 0-20 km, Gr2, n=100: 21-40 km, Gr3, n=106: 41+ km) X^2 (2, n=331) = 2.00, p=0.368.

The hypothesis H_{8b} will be rejected, based on the p value of 0.368, which indicates that shoppers travelling various distances to the shopping centre do not significant differ regarding the perceptions of the attractiveness of variables in the factor associated with quality and atmospherics.

H_{8c}: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the convenience factor of the shopping centre.

The results for the Kruskal Wallis for convenience attributes and distance travelled were: (Gr1, n=125: 0-20 km, Gr2, n=100, 21-40 km, Gr3, n=106, 41+ km) X^2 (2, n=331) = 0.62, p=0.733.

The p value implies that the distance travelled to the shopping centre indicated no significant difference on the perceptions of shoppers on the attractiveness of convenience factors in the shopping centre. H_{8c} is thus rejected.

H_{8d}: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the way-finding and decor factor of the shopping centre.

The results for the Kruskal Wallis test for distance travelled and way-finding and decor indicated that:
(Gr1, n=125: 0-20 km, Gr2, n=100: 21-40 km, Gr3, n=106: 41+ km) X^2 (2, n=331) = 0.40, p=0.817.

The p value of 0.817 that is higher than 0.05 implies that distance travelled to the shopping centre does not play a role in shoppers' perceptions on way-finding and decor. Hypothesis H_{8d} will thus be rejected.

Hypothesis 8 is not supported and there is no significant difference in distance travelled to the shopping centre and shoppers perceptions about the attractiveness factors of the shopping centre.

The outcome of the hypotheses testing is summarised below.

TABLE 7.21: OUTCOME OF THE HYPOTHESIS TESTING

OBJECTIVE/ HYPOTHESIS		TEST CONDUCTED	ACCEPTED OR REJECTED
H_0:	Male and female shoppers' perceptions do not differ regarding the overall attractiveness of the shopping centre.	T-test	H_1 - rejected
H_1:	Male and female shoppers' perceptions differ regarding the overall attractiveness of the shopping centre.		
H_0:	Male and female shoppers do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.	Mann-Whitney U test	H_2 - rejected
H_2:	Male and female shoppers differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.		
H_{2a}:	Male and female shoppers differ with regards to their perceptions of the attractiveness of the entertainment and facilities factor attributes of the shopping centre.		H_{2a} – rejected
H_{2b}:	Male and female shoppers differ with regards to their perceptions of the attractiveness of the quality and atmospherics factor attributes of the shopping centre.		H_{2b} - rejected
H_{2c}:	Male and female shoppers differ with regards to their perceptions of the attractiveness of the convenience factor attributes of the shopping centre.		H_{2c} – rejected
H_{2d}:	Male and female shoppers differ with regards to their perceptions of the attractiveness of the way-finding and decor factor attributes of the shopping centre.		H_{2d} - rejected
H_0:	Shoppers of different age categories perceptions do not differ regarding the overall attractiveness of the shopping centre.	ANOVA test	H_3 – rejected
H_3:	Shoppers of different age categories		

	perceptions differ regarding the overall attractiveness of the shopping centre.		
H_0:	Shoppers of different age categories perceptions do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.	Kruskal-Wallis	H_4 – only partly supported
H_4:	Shoppers of different age categories perceptions differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.		
H_{4a}:	Shoppers of different age categories perceptions differ with regards to their perceptions of the entertainment and facilities attractiveness attributes of the shopping centre.		H_{4a} – accepted
H_{4b}:	Shoppers of different age categories perceptions differ with regards to their perceptions of the quality and atmospherics attractiveness attributes of the shopping centre.		H_{4b} - accepted
H_{4c}:	Shoppers of different age categories perceptions differ with regards to their perceptions of the convenience attractiveness attributes of the shopping centre.		H_{4c} – accepted
H_{4d}:	Shoppers of different age categories perceptions differ with regards to their perceptions of the way-finding and decor attractiveness attributes of the shopping centre.		H_{4d} - rejected
H_0:	Shoppers visiting the shopping centre at different intervals perceptions do not differ regarding the overall attractiveness of the shopping centre.	ANOVA test	H_5 - rejected
H_5:	Shoppers visiting the shopping centre at different intervals perceptions differ regarding the overall attractiveness of the shopping centre.		
H_0:	Shoppers visiting the shopping centre at different intervals do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.	Kruskal-Wallis test	H_6 – partly supported
H_6:	Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the various attractiveness attributes of the shopping centre.		
H_{6a}:	Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the entertainment and facilities attractiveness attributes of the shopping centre.		H_{6a}- accepted
H_{6b}:	Shoppers visiting the shopping centre at different intervals differ with regards to their		H_{6b} – rejected

perceptions of the quality and atmospherics attractiveness attributes of the shopping centre. H_{6c}: Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the convenience attractiveness attributes of the shopping centre. H_{6d}: Shoppers visiting the shopping centre at different intervals differ with regards to their perceptions of the way-finding and decor attractiveness attributes of the shopping centre.		 H_{6c} – rejected H_{6d} - rejected
H_0: Shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre do not differ. H_7: Shoppers travelling various distances to the shopping centre perceptions regarding the overall attractiveness of the shopping centre differ.	ANOVA test	H_7 - rejected
H_0: Shoppers travelling various distances to the shopping centre do not differ with regards to their perceptions of the various attractiveness attributes of the shopping centre. H_8: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the various attractiveness attributes of the shopping centre. H_{8a}: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the entertainment and facilities attractiveness attributes of the shopping centre. H_{8b}: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the quality and atmospherics attractiveness attributes of the shopping centre. H_{8c}: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the convenience attractiveness attributes of the shopping centre. H_{8d}: Shoppers travelling various distances to the shopping centre differ with regards to their perceptions of the way-finding and decor attractiveness attributes of the shopping centre.	Kruskal-Wallis test	H_8 – rejected H_{8a}- rejected H_{8b} – rejected H_{8c} – rejected H_{8d} - rejected

7.6.5 Regression analysis

Forward regression analysis was conducted to determine the effect of the various shopping centre attractiveness factors on the overall attractiveness of the Riverside shopping centre. However, before continuing with a regression analysis it is important to check that the underlying assumptions, as discussed in Chapter 6, are met.

The sample size of the study of 400 is big enough according to Tabacknick and Fidell in Pallant (2010) rule of thumb, as explain in Chapter 6, section 6.10.6 to proceed with forward regression and no outliners were evident. Multicollinearity exists when the independent variables are highly correlated (r=0.09 and above) and from Table 7.22 it is clearly not the case in this study. As none of the four factors is a combination of the other factors, the singularity assumption is also not violated.

TABLE 7.22: PEARSON CORRELATIONS

	Overall attractiveness	Factor 1	Factor 2	Factor 3	Factor 4
Overall attractiveness	1.000				
Factor 1	0.468	1.000			
Factor 2	0.410	0.494	1.000		
Factor 3	0.317	0.537	0.468	1.000	
Factor 4	0.390	0.572	0.518	0.506	1.000

It is evident that all the independent variables (factors) show at least some relationship and preferably above 0.30, with the dependent variable (overall attractiveness) (Pallant (2010:158): Factor 1 - Entertainment and Facilities (0.47), Factor 2 - Quality and Atmosphere (0.41), Factor 3 - Convenience (0.32), and Factor 4 - Way finding and Decor (0.39). It is also evident that the bivariate correlation between the factors is not higher than 0.70 as suggested by Pallant (2010).

Table 7.23 provides a summary of the model with the values of R and R^2.

TABLE 7.23: MODEL SUMMARY

MODEL	R	R square	Adjusted R square	Std. error of estimated
1	**0.468**[a]	0.219	0.217	1.588
2	**0.511**[b]	0.261	0.258	1.547
3	**0.518**[c]	0.269	0.263	1.541

a. Predictors: (Constant), Factor 1
b. Predictors: (Constant), Factor 1, Factor 2
c. Predictors: (Constant), Factor 1, Factor 2, Factor 4
d. Dependent variable: overall attractiveness

The overall explanatory power of a regression model can be determined by interpreting R^2, which is a ratio that measures the variance of the dependent variable that is explained by the independent variables. Thus, the higher the value of R^2 the larger the explanatory power of the regression model (Hair *et al.,* 2006:170). From Table 7.23 it is clear that the model explains only 26.3% of the variance. To assess the statistical significance of the regression result, it is necessary to look at the analysis of variance (ANOVA) results presented in Table 7.24.

TABLE 7.24: ANOVA

MODEL	Sum of Squares	Df	Mean square	F	Sig
1 Regression	281.594	1	281.594	111.548	0.000[b]
Residual	1004.716	398	2.524		
Total	1286.310	399			
2 Regression	336.278	2	168.139	70.262	0.000[c]
Residual	950.032	397	2.393		
Total	1286.399	399			
3 Regression	345.779	3	115.260	48.529	0.000[d]
Residual	940.531	396	2.375		
Total	1286.310	399			

a. Dependent variable: overall attractiveness
b. Predictors: (Constant), Factor 1
c. Predictors: (Constant), Factor 1, Factor 2
d. Predictors: (Constant), Factor 1, Factor 2, Factor 4.

Table 7.24 indicates that the regression model with Factor 1, 2 and 4 is significant ($F (3,396) = 48.529, p<0.001$).

In order to determine which of the variables included in the model contributed the most to the prediction of the depended variable – overall attractiveness – the standardised coefficients (Beta) needs to be considered.

TABLE 7.25: COEFFICIENTS

MODEL	Standardised Coefficients Beta	t	Sig
1 (Constant)		13.485	0.000
Factor 1	.468	10.562	0.000
2 (Constant)		6.145	0.000
Factor 1	.351	7.073	0.000
Factor 2	.237	4.780	0.000
3 (Constant)		3.912	0.000
Factor 1	.304	5.579	0.000
Factor 2	.202	3.867	0.000
Factor 4	.111	2.000	0.046

From Table 7.25 one can deduct that Factor 1 'Entertainment and Facilities' makes the strongest contribution (0.304) to explain the overall attractiveness of the Riverside Mall. The Beta value for 'Quality and Atmosphere' (Factor 2) was slightly lower (0.202), indicating that it made less of a unique contribution while 'Way-finding and Décor' (Factor 4) made even a lesser contribution (0.111). Ahmad, (2012:106) also found a positive relationship between entertainment and shoppers satisfaction with their shopping experience. However, it is evident that all three factors contributions' are statistically significant, as factor 1, 2 and 4's significance values (0.000, 0.000, and 0.046) are less than 0.05.

Although the R square value was low, and thus indicated that the three predictor values selected will not be a good/sufficient model to predict overall attractiveness, it does provide us with the necessary information to determine the effect of the various shopping centre attractiveness factors on the overall attractiveness of the shopping centre.

7.7 CONCLUSION

Chapter 7 contained research findings obtained from 400 respondents in a shopping centre survey, as well as the transcripts from focus groups interviews and personal interviews.

The main findings were indicated throughout the discussion. The main findings were then used to either accept or reject the hypotheses that were formulated for the study. Table 7.21 provided a summary of the main findings on the hypotheses.

Through regression analysis it was determined that the factor of Entertainment and Facilities made the strongest contribution to explain the overall attractiveness of the shopping centre.

The next chapter will conclude the research, by providing a discussion on the main findings, and then providing recommendations, as well as highlighting possible areas for further research.

CHAPTER 8

CONCLUSIONS AND RECOMMENDATIONS

"*When I shop, the world gets better, and the world is better, but then it's not, and I need to do it again".*

(Confessions of a Shopaholic – the movie)

Sophie Kinsella

8.1 INTRODUCTION

In the previous chapter the research results were discussed. The purpose of this final chapter is to discuss and assimilate the findings from the literature review, as well as the empirical research. This will form the basis for conclusions based on the objectives in this study, as well as for providing recommendations. These recommendations will also indicate possible areas for further research. The chapter will conclude with a retrospective evaluation of the study's objectives, as formulated in Chapter 1.

8.2 CONTEXT AND IMPORTANCE OF THE STUDY

As indicated in Chapter 1, many changes have taken place in the South African retail environment during the past decade. The South African retail market is strongly developed; although there is still a large portion that is not regulated, and that falls under unplanned informal trade. Shopping centre provision in the metropolitan areas is well developed; but there is a backlog in the development of planned shopping centres in the rural areas, and in the semi-rural areas, as well as in township areas.

The growth in planned retail development, together with the growth of the lucrative black middle-class market has provided the impetus for this study.

This study focused only on the black African consumers that visit the Riverside Mall shopping centre in a suburban area of Nelspruit, Mpumalanga.

8.3 THE MAIN FINDINGS RELATING TO SHOPPING CENTRE ATTRACTIVENESS

The initial premise for developing shopping centres was to bring a variety of retail outlets under one roof in a planned way, so that consumers could satisfy their shopping needs in a convenient and time-saving manner. The added benefit of socialising as a part of the shopping experience is certainly evident in many countries. This need for the shopping centres to become social hubs has also led to the establishment of various outlets that provide entertainment. These usually include restaurants, movie theatres, and playgrounds, amongst others.

South Africa started with planned shopping centres during the 1960s, when they used the American shopping centre development model. Most of the planned shopping centre developments took place in the urban areas, where the main objective was to decentralise and move the retail outlets to the suburbs. There was a boom in retail development during the 1980s and the 1990s, and again in the period 2000 to 2005. This boom did not include retail provision in the rural areas or in the black townships.

During the past 10 years, the situation has changed; and the building of shopping centres in traditional black areas has increased. This is the result of a rise in the emerging black market. Many black consumers still commute to work; and over the weekends, they want to spend their time in their home areas, where they would like to shop for the same merchandise as that provided in the big towns and cities. Black consumers have also shown an increase in their patronage of shopping centres in traditionally white areas.

The researcher conducted focus groups interviews with groups of respondents, in order to gather information on their preferences of the various shopping centre attractiveness factors identified from literature and to further determine if all the identified factors were applicable and if additional factors needed to be added. Industry experts were also consulted – to determine their opinions and experiences. Thereafter, an intercept survey was conducted. There was an almost equal spread of respondents across the two genders in both the focus groups, as well as in the survey group. The main findings will be discussed next.

8.3.1 Conclusions regarding the main findings of shopping centre attractiveness

Almost all the respondents interviewed in the focus groups indicated that they visit the shopping centre at least once or more times per month. Most visits take place over the weekends. The survey indicated that 88% of the respondents said that they visit the shopping centre at least once per month; and 62% indicated a frequency of once a week. The statistics indicate that the shopping centre is well supported, and that the majority of the respondents are regular visitors.

The overall attractiveness of the shopping centre was measured on a 10-point Likert rating scale, where 1 indicated not attractive at all, and 10 indicated extremely attractive. The two points that were frequented by most of the respondents in the survey were 8 and 9. Less than 20% of the respondents indicated a rating of less than 6. This clearly demonstrates the positive perceptions of the respondents with the overall attractiveness of the shopping centre. During the focus group interviews the respondents also rated the shopping centre high on overall attractiveness.

The main findings, as they relate to the individual attractiveness factors will now be highlighted:

- Variety of stores available: the respondents in the focus groups believed that the variety of stores and services in all shopping centres were basically the same. General service providers, like medical practitioners, were not represented. The survey results indicated that the majority of the respondents felt that there was a wide variety of stores available; however, the perception of attractiveness of this aspect was quite low.

- Quality merchandise sold by stores: Most of the respondents in the focus groups felt that the quality of merchandise was determined by the stores themselves, and that this was standard across all the stores in the chain when it is part of a national chain. The satisfaction of the respondents visiting the shopping centre perceived this aspect as attractive and the majority agreed that the merchandise sold in general was of a high quality.

- General atmosphere: 74% of the respondents surveyed felt that the general atmosphere in the shopping centre was pleasant. The general atmosphere, as well as the ambience of the shopping centre, was rated highly by the respondents in the focus groups, although the older respondents felt that the shopping centre had a vibe that was more suitable for younger consumers.

- Hosting of special events: Only 43% of the respondents indicated that there were enough special events hosted. This factor is also the factor that had the lowest mean score.

- Clear signage is provided: A total of 71% of the survey respondents agreed that the signage at the shopping centre was clear enough. The shopping centre was quite small, and was classified as a regional shopping centre; therefore as 62% of shoppers visit the shopping centre weekly these frequent visitors to the shopping centre would have no problem with finding their way around the centre. This finding was confirmed by the focus group's remarks that even though electronic info-centres are available, they are never used because of their familiarity with the centre.

- General layout: A total of 79% of the survey population indicated that they agreed that the general layout of the shopping centre was good. The fact that the shopping centre is built on only one level could be a contributing factor.

- Convenient shopping hours: Some of the respondents interviewed during the focus group interviews indicated that they would prefer it if the shopping hours were extended, so that they could shop after work, and not over the weekends, when it was so busy. They also indicated that there was nowhere to socialise after the last movie finishes, because all the restaurants were closed by then. Almost 30% of the respondents surveyed were not entirely satisfied with the shopping hours.

- Adequate parking: The majority of the respondents (85%) indicated that they were totally in agreement that there was adequate parking available. Only 3,5% strongly disagreed or disagreed that there was enough parking. During the focus group interviews, some of the respondents indicated that the undercover parking was not enough, but together with the open and shaded parking, the total number of parking bays was sufficient. In Chapter 2, section 2.3.2.2 it was explained that according to the formula used by SACSC, Riverside Mall has on average 5 parking bays per 100m^2. This is adequate within the suburban setting.

- Good accessibility from parking area: Only 15% of the respondents were not in total agreement that the shopping centre was accessible from the parking area.

- Attractive decor: The responses from the focus groups indicated that the decor in the centre was regarded as old-fashioned, although the new additions were considered to be more modern. A total of 77,5% of the survey respondents, however, seemed to regard the decor in the shopping centre as being attractive.

- Entertainment provided: The respondents were not altogether convinced that the entertainment provided was adequate. Only 64,25% of the survey respondents agreed that the provision of the entertainment was sufficient and this is supported by the general view of the focus groups discussions that more entertainment was needed.

- Availability of emergency services: This element had the second lowest mean score (M=4.21) and the highest standard deviation (SD=1,70). Only 55% of the population were satisfied with the provision of emergency services. 23,75% were not sure whether they were in agreement or not. A further 21,25% of the respondents felt that there were not sufficient services. This indicates that a high percentage of the respondents were unsure of whether the facilities were available, or else they had never made use of any of the facilities, and were therefore unable to confirm that they were indeed available.

- Availability of information help desk: Only 62,5% of the respondents indicated that information help desks were available; while 17,5% of the respondents strongly disagreed or disagreed that sufficient service was available.

- Accessibility from main routes: A total of 72,25% of the respondents indicated that there are easy access to the shopping centre from the main routes. The shopping centre is situated just off the R40; and it is visible from the main route.

- Level of security: The general security in the shopping centre was experienced as good; and more than 80% of the respondents indicated their satisfaction with the level of security. The survey instrument did not distinguish between security inside the centre and security in the parking area; and therefore no observation or deduction could be made on the parking-area security, based on the opinions of the survey population but the focus group results indicate a concern about the lack of security in the parking area.

- Overall cleanliness: The cleanliness of the shopping centre was the element with which most respondents in the survey agreed. 87% of the respondents indicated that the cleanliness was on standard. A mean score of 5.42 and a standard deviation of 0.93 indicate the level of agreement as being very high.

- Variety of services available: Only 4,5% of all the respondents indicated that they were not satisfied at all with the variety of services available in the shopping centre; and 71,5% indicated they agreed that there was a sufficient variety of services available. However the respondents in the focus groups indicated that there were no medical facilities or hairdressers for black consumers specifically in the shopping centre.

- Facilities for disabled people: Some of the elements that seemed to be of concern to some of the respondents in the survey population were the facilities for disabled people, where only 61% of the respondents indicated agreement that the facilities were sufficient. Only 22,25% of the respondents indicated they neither agreed nor disagreed with the statement that there were sufficient facilities. This could indicate that people, who are not disabled, or involved with disabled people, failed to notice or use the facilities; and therefore, did not or could not comment on that issue.

- Quality of service provided by the stores: Almost 75% of the respondents were satisfied with the quality service provided by the retail stores inside the shopping centre. The respondents in the focus groups indicated that the level of service would differ, depending on the store and the management of the staff.

- Spaciousness to accommodate crowds: It would seem as if some of the respondents perceived the shopping centre as being crowded, since almost 40% felt that the shopping centre was not spacious enough. This is in support of the notion that some individuals are not comfortable with crowding, and would prefer to shop at hours when the shopping centre was not crowded. The crowding in the shopping centre was also identified as a irritant by the respondents in the interviews.

The hypothesis testing concluded that there was no difference between the perceptions of male and female respondents on the overall attractiveness of the shopping centre. This finding is contrary to some previous international research conducted on the differences in the retail-buying behaviour of male and female consumers (Neal *et al.,* 2006:397; Raajpoot *et al.,* 2008:8; Jackson *et al.,* 2011:7), these researchers claims that males have different needs and expectations in terms of retail outlets. The finding of this study is however consistent with other studies that support the blurring of gender roles (Severiens & Ten

Dam, 1998; Stern, 1999; Minahan & Beverland, 2005; Ou *et al*., 2006:228; Hart *et al.,* 2007).

Factor analysis identified four groups of attractiveness factors. Factor one was named Entertainment and Facilities and related to the attributes of special events, entertainment, facilities for disabled people and the spaciousness of the centre.

Factor two included the variety of stores available, the quality of merchandise sold, the general atmosphere in the shopping centre, as well as the general quality of service. This factor was named Quality and Atmospherics.

The third factor, named Convenience, related to the availability of information desks, the accessibility of the shopping centre from the main routes, the level of security, the overall cleanliness and the variety of services available.

The last factor that was identified, factor four, related to way-finding, decor aspects and signage, the general layout of the shopping centre, the availability of adequate parking, the accessibility of the shopping centre from the parking area, the shopping hours kept, as well as the general decor of the centre.

These four factors were used to set various hypotheses against gender, age groups, frequency of visits to the shopping centre, and distance travelled to the shopping centre. The hypothesis related to gender was formulated to determine whether there were significant differences in the perception of males and females towards any of the factors.

The outcome of the non-parametric Mann-Whitney test indicated that no significant differences could be identified between male and female consumers and the perceptions of the attractiveness attributes in any of the four factors. This outcome supports the outcome of the first hypothesis where there were also no differences between genders on the perception of the overall attractiveness of the shopping centre.

The results indicated that shoppers in the age group 26 – 40 years perceived entertainment and facilities, as being more attractive than the shoppers in the 18-25 year age groups. The age group 18 to 25 years also perceived factor 2, quality and atmospherics as less attractive than shoppers in the 26 to 40 age group. Shoppers in the 26 to 40 year age group perceived convenience as more attractive than shoppers in the other age groups. There was no difference in the perceptions of consumers in the different age groups on the factor relating to way-finding and decor.

It seems as if the frequency of visits to the shopping centre does play a role on the way that consumers perceive the entertainment and facilities of the shopping centre. The results indicated that shoppers who visit the shopping centre at least once a week perceived the entertainment and facilities as being more attractive than those who visit the centre less often. The factors of convenience, quality and atmospherics, as well as way-finding and decor were not regarded as more or less attractive by shoppers visiting the centre more or less often. It would, therefore, seem as if the more frequent visitors might visit the shopping centre for more reasons than just to do their shopping. As indicated by the respondents in the focus groups, the centre is visited for the purpose of browsing, shopping and socialising.

The shopping centre is situated in a small city in a largely rural area. The shopping centre services an area that includes the neighbouring towns of White River, Hazyview, Sabie, Graskop, Barberton, Machadodorp, Malelane, as well as Swaziland and Mozambique. These towns are situated between 20 and 100km from Nelspruit; therefore, many of the consumers travel long distances to visit the shopping centre. The primary target market of the Riverside Mall caters for residents within a 50km radius. It is interesting to note that even though there were individuals who travelled more than 40km to the shopping centre, they did not regard any of the factors as being more or less attractive than the shoppers who did not travel so far. It may therefore be concluded that the distance travelled would not play a role in the perceptions of the attractiveness factors of the shopping centre.

The regression analyses revealed that 'entertainment and facilities' had the biggest impact on the overall attractiveness of the Riverside shopping centre, followed by the 'quality and atmospherics' and lastly 'way-finding and décor'. Interestingly, Factor 3 labelled as 'convenience' did not have a statistical significant effect on the overall attractiveness of the centre.

8.3.2 Implications regarding the main findings of shopping centre attractiveness factors

Based on the main findings discussed in the previous section, the implications of the findings will now be discussed.

The overall attractiveness of the shopping centre was rated highly by both the focus group respondents, as well as the surveyed respondents. Some of the general remarks by individuals were that the centre lacks excitement and a "wow" factor. The centre is the largest shopping centre within a radius of 200km² but is also 15 years old. The size of the centre, as well as the variety of retail outlets, entertainment and services that it offers, definitely all add to the attractiveness; however, the age of the centre does have a negative influence on the aesthetic appeal. As customers perceive Riverside Mall as attractive this could be used as a base to build customer loyalty as a form of differentiation in future as suggested by Levy and Weitz (2013:115).

Two of the variables included in the entertainment and facilities factor, namely the hosting of special events and exhibits, as well as the availability of emergency services, were the two with the lowest mean scores of all the variables. The rest of the variables, adequate entertainment, sufficient facilities for disabled people, as well as the spaciousness of the shopping centre, also had some of the lowest mean scores and could have a negative effect on the long term on the shopping centre attractiveness.

Two of the interviewees in the personal interviews indicated that many of the young black African consumers indicated that they would like to see more entertainment in the centres, but in reality they were not willing to commit to the purchasing of any such entertainment. This implies that they would like to see more free exhibits, promotional entertainment and events hosted inside the shopping centres. These opinions were confirmed by the low mean scores that entertainment and the hosting of special events obtained. This leaves shopping centre management such as Riverside Mall with a dilemma of providing more entertainment cost-effectively.

The focus group respondents indicated that they visit the shopping centre for shopping, as well as for entertainment. These social visits included both social interaction (meeting friends), as well as visiting the entertainment facilities (restaurant, movie theatres etc.). The age profile of the typical visitor to this shopping centre is between the ages of 31 and 40. This coincides with the age profile of the more affluent middleclass consumer; and they are possibly employed, and are willing to pay for more entertainment. It seems as if the typical shopper at Riverside Mall would be willing to pay for additional entertainment.

This age group rated entertainment and facilities, convenience, as well as quality and atmospherics more attractive than any other age group. This could possibly imply that this age group comprises the discerning buyers who want more than just a mediocre shopping experience. They want to be entertained, and for every need to be satisfied.

However, the opposite might also be true; if the respondents are unemployed and are just waiting around, this might mean they want free exhibitions and shows that can provide entertainment; but this would not increase the sales of the retailers in the shopping centre; and this might contribute to overcrowding, and possibly increase the need for more security in the shopping centre and thus not improving the overall attractiveness of the shopping centre or increased patronage.

Visitors who visit the shopping centre more frequently (at least once per week) also indicated that the entertainment and facilities factor was more attractive to them. The fact that visitors visit the centre regularly could imply that the centre is also used as a social meeting place – where people meet and come for entertainment. People who visit the shopping centre on a more regular basis are also more aware of facilities, like emergency services and wheelchair parking.

The second factor that was identified included the variety and quality of stores and services, as well as the general atmosphere. This factor was dubbed quality and atmospherics. The general ambience or atmosphere of a shopping centre can mean different things to different people. For this study, the term atmosphere was explained to respondents in the focus groups. However, even after explanation, they saw this as relating to the general vibe of the centre. The general feeling that shopping centres lack excitement relates to the atmosphere.

The age group 25 – 40 years perceived quality and atmospherics as attractive. This age group probably has the money and means to shop where they want; and as such, are sensitive to the variety and quality of services and stores, as well as shopping centre atmosphere; and they might prefer a more trendy and modern shopping centre. This implies the need for shopping centre managers to ensure continuous refurbishments and improvements in their centres.

The results of way-finding and decor, found that – contrary to previous research – no difference in the perceptions of the respondents regarding way-finding and decor. This could be attributed to the fact that this can be classified as a regional centre, which implies that the centre is not big enough to get lost in. The majority were regular visitors and regular visitors would know the layout and location of retailers well. The Riverside Mall thus does not need to improve these aspects.

One of the issues discussed during the focus groups interviews, as well as during the personal interviews, was the availability and use of public transport for commuters. This related to convenience and access in the choice of shopping centre; and it includes issues relating to: distance from home, availability and accessibility of public transport, as well as safety. The broad opinion was that for general shopping needs the closest and most accessible shopping centre would be chosen. Thus emphasising the importance for Riverside Mall to become as accessible as possible for their shoppers.

The lack of public transport facilities was a concern, especially for the younger respondents that had to rely on public transport, because they did not own a car. The results from the survey indicated that more than 54% of the respondents interviewed made use of public transport (buses) and taxis. This finding was supported by the opinions of the industry experts that were interviewed. In general, shopping centres in urban or suburban areas do not make provision for a taxi rank in the shopping centre premises. This is an aspect that the management of the centre needs to address if they want to improve accessibility. Shopping centres often rely on the local municipality to provide bus stops near the centres to cater for the needs of the employees within the centre.

Parking, emergency services, wheel-chair facilities and help desks were not a huge concern; and the respondents were generally satisfied with the provision thereof. They believed that the resting seats were not comfortable, and that not enough were provided. Although the respondents felt that the restrooms were very clean, the size of the cubicles in the lady restrooms, as well as the ventilation, was a concern that the centre management should address.

Irritating factors in the shopping centre related to the lack of excitement and crowding. The spaciousness could also imply that familiarity breeds a sense of irritation if other people invade one's space. For some of the respondents, the shopping centre seemed too small to accommodate crowds; and over familiarity could cause a person to perceive the centre as "small". A total of only 61.5% of the respondents agreed that the shopping centre was spacious enough – suggesting that the shopping centre might consider expanding to accommodate the remaining 38% or implement specific strategies such as extended business hours to accommodate crowding.

The crowdedness of a shopping centre can also be linked to shopping hours. This factor rated average; and it seemed that 72.75% of the respondents agreed that the shopping hours were convenient. From these statistics, it may be deduced that not all the respondents seemed to think that extending the shopping hours would alleviate the perceived crowding problem. The respondents in the focus groups, however, indicated that extended shopping hours over weekends, on public holidays and over the festive season should alleviate the problem of overcrowding.

The suggestions made by the respondents from the focus groups related to extended shopping hours, more branded shops, security cameras, and more security in the parking area, as well as more excitement. In general, the respondents felt at ease in the shopping centres. They felt as if they belonged there; and that even though there might not be stores that cater for them specifically, they felt comfortable. They also felt that the shopping centre definitely caters for the upcoming middle-class consumer.

With regression analysis, the factor of Entertainment and Facilities was found to have the greatest impact on the perceptions of attractiveness of the centre. This factor included attributes such as special events, entertainment, emergency services, facilities for disabled people as well as spaciousness of the centre. Previous studies has also stressed the importance of entertainment (Bellenger *et al.*, 1977; Frasquet *et al.,* 2001; Sit *et al.*, 2003; North & Kotze, 2004; El Adly, 2007). This was also confirmed by the focus groups as well as during the personal interviews, where Tagg (2011) eluded to the fact that entertainment are high on the wish list for black consumers although the spent on entertainment is not as high as the shopping centres would like. In line with the finding of d'Astous (2000), although emergency services and facilities for disabled people are not deal breakers in assessing shopping centres, the lack thereof often become an irritant. Similarly, the lack of spaciousness that can lead to crowding, can also be an irritant.

This finding further highlights the fact that although convenience, atmospherics as well as the general vibe of a shopping centre are also regarded as a crucial factors in perceptions of overall attractiveness it will not necessarily increase the perceptions of attractiveness should a centre, for example, be refurbished.

8.3.3 <u>Recommendations and strategies to enhance the overall shopping centre attractiveness</u>

The population growth in South Africa of 1,5% per annum is slower than those in the rest of the African countries. The only two provinces that have shown an increase in growth rate are Gauteng and the Western Cape. This has had an impact on the need for housing, job-creation, education and general infrastructure. Because of the growth in population, combined with the high average household incomes in these provinces, the demand for retail space should continue to increase.

One of the most important aspects to take into account when designing retail strategies for shopping centres, is to understand the factors that consumers value, in combination with the consumer typologies. In our context, that would imply understanding the differences between cultural groups, age groups as well as gender.

8.3.3.1 Strategy 1: Competitive advantage strategies

The main challenge facing existing shopping centres is the challenge to remain competitive in a fast-changing and highly competitive market.

The marketers and role-players within a shopping centre need to work more effectively and collectively than ever before. It is recommended that shopping centre managers should conduct regular climate studies in their environments – to enable them to identify problems and suggestions from shoppers. To increase the satisfaction of shoppers, Riverside Mall should train employees from the cleaners to management to project the desired image of the centre.

Excitement in the shopping centre or a “wow” factor, as some respondents called it, is also related to the unique selling point of a centre. Marketers of the centre should identify the unique features and attributes and play on these aspects in their marketing strategy. Technology has a big impact on retailers and consumers alike; and it should be used by shopping centres to entice consumers *via* the social networks, interactive displays and Wi-Fi connectivity. Consumers are becoming more reliant on their smart phones and tablets, which implies that these will become an integral part of the shopping experience. More innovation from retailers in the form of applications aimed at providing consumers with greater shopping convenience will be seen in the future. Shopping centres could utilise the internet in their marketing, where they can establish virtual shopping centres and include services, such as restaurant bookings and valet services for cars, amongst other things.

8.3.3.2 Strategy 2: Providing entertainment

Respondents have indicated that they visit shopping centres on a regular basis for shopping, browsing and socialising. Based on the findings of the regression analysis entertainment have a big impact on the overall attractiveness of the centre and should be the focus of mall management. The shopping centre provides ample restaurants, as well as movie theatres, a ten-pin bowling alley, and games arcade, as well as access to the casino. These options, together with the newly opened water park, should provide ample entertainment. Management of the shopping centre could, however, look again at the prices that are charged for the entertainment.

The respondents indicated that they want to socialise without having to pay money. Respondents want to be entertained with free shows and exhibitions. The shopping centre needs to determine whether the effort and cost would be worth the extra footfall that the centre might experience if any free entertainment is offered. The centre would also need to determine whether this footfall would produce extra revenue for the centre. As most of the consumers visit the shopping centre quite frequently, they might get tired or bored with the entertainment provided; and the centre management should constantly review the entertainment provided; and may also want to make use of temporary entertainment, such as fashion shows and pop-up shows or shops.

The gap between a pure retail facility and a pure entertainment facility should be bridged by providing entertainment that caters for most shopper profiles. Shopping centres should also focus on entertainment for the family. It is clear from our discussions on culture (Chapter 4) that family play an important role in the social life of the upcoming black middleclass consumer.

8.3.3.3 Strategy 3: Providing variety

The variety of retail and service outlets seems to be a concern for some of the respondents. According to industry experts, such as Tagg (2011), Fourie (2011) and Prinsloo (2011), the black consumers are aspirational shoppers; and although they would like to see more branded retailers and entertainment, they would not necessarily have the financial means to support these options. This notion might hold even truer in rural and sub-urban areas, were salaries are lower, and unemployment is higher than in the urban areas.

One of the concerns, however, was the lack of sufficient banks in the shopping centre. The lack of services provided for black customers, such as hair-salons that cater for their needs, was also mentioned. Shopping centre management should also consider looking into providing services that cater for all banking needs, as well as for the variety of consumers. Tagg (2011) indicated that shopping centres are income-related and not cultural. This statement warrants further investigation to determine if retail outlets within the centre that cater for specific cultural groups are adequately supported. Providing the variety under one roof is what will keep consumers coming back to a centre.

8.3.3.4 Strategy 4: Infrastructure and shopping centre essentials

Infrastructure deals with the physical surroundings of the centre and essentials include aspects such as the friendliness, courteousness and efficiency of personnel and overall quality.

Way-finding, accessibility from the parking area, signage and the availability of help desks are all regarded as adequate. The shopping centre should ensure that the signage and information displays are kept up-to-date. This could, however, change if the shopping centre expands, or as more consumers visit the shopping centre and needs to be revisited.

Parking facilities were regarded as adequate, although some of the respondents did not appreciate the fact that a great deal of the parking spaces that were regarded as covered spaces are only providing shade net covering. Thus, additional parking garages would be welcomed. The other issue that was raised by respondents in the focus groups was the lack of visible security in the parking areas. A good camera-security system or visible security (not just car guards) would enhance the security in the parking areas. Again as these are costly upgrades, management should carefully examine if the expense would lead to more people visiting and spending money in the centre. In the South African context safety is a priority to all consumers.

Shopping centre management should not negate the plight of shoppers that uses public transport. Sufficient facilities for public transport should be made available. The possibility of providing or negotiating extra public transport specifically on public holidays or over weekends should be investigated.

The overall cleanliness of the centre was rated very highly and this is a big advantage when visiting the shopping centre. The practice of providing a clean and healthy space should be maintained.

8.3.3.5 Strategy 5: Marketing

No differences on the perceptions of attractiveness factors between male and female consumers could be found. The traditional view of male and females differing in their enjoyment of shopping or time spent in a shopping centre seem not be substantiated in this research. This implies that in "designing" the tenant mix the centre do not have to regard males and females as separate groups. This also holds true for the marketing strategies.

The age group that indicated differences in their perception of the attractiveness factors, namely the 25 - 40 year age group, is also the main target market for the shopping centre. It seems as if these shoppers are a distinctive and discerning group that should be carefully considered in all marketing decisions as this group perceives the attractiveness as higher, it seems that the centre management is indeed keeping their target market satisfied. Shopping centre managers should focus on keeping consumers, by providing incentives like loyalty schemes. This could be used to track spending patterns, as well as providing useful information. However a new shopping centre may change this and therefore centre managers should constantly re-evaluate the centre attractiveness to stay competitive.

Using the internet, email, smart-phones and social media to communicate with shoppers and to entice them into spending time at the centre should be included into the marketing plan. Examples of this can be flash-mobs that could be posted on You-tube, Facebook pages with special offers and email promotions.

To survive in a new retail market that includes the internet as one of the major role-players, a shopping centre should become more of a full-service community centre. Shopping centres should give people reasons to visit them. This could be in the form of social or community centres, where mixed-use developments could provide consumers residential opportunities, as well as open spaces, where leisure time can be spent. The big trend for the future will be to include medical facilities and other important services, to draw consumers to the brick and mortar centres.

Shopping can often be done via the internet; but the psychological benefits of shopping should still be exploited *via* visual stimulation.

8.4 LIMITATIONS

This study has attempted to make a significant contribution to the body of knowledge on the attractiveness of shopping centres to the black consumers. Specific limitations were evident in the literature review and in the empirical phase of the study; and these limitations should be noted.

8.4.1 The literature review

A number of limitations, based on the literature review of the study, can be stated, namely:

- The aim of the literature search was to include all relevant literature on the topic. It is possible that some important empirical research on the wider topic could have been missed, as it may not have yet been published, or have been available in the public domain.

- Although abundant information could be found in the literature on shopping centre attributes and shopping centre attractiveness, there is a limited amount of literature available on cultural differences in the perceptions of shopping centre attractiveness.

- There is also limited literature available on the shopping centre development and especially patronage by black South African consumers.

- Due to this the lack of literature in South Africa, the theory relied strongly on literature from other countries.

8.4.2 <u>The empirical study</u>

A number of limitations should be highlighted, following the empirical research section of the study.

- Due to the nature of this study (non-probability sampling), the non-response error and sampling error could not be determined.

- The study was limited to one shopping centre in one province, thereby excluding other regional shopping centres in other suburban centres, shopping centres in rural areas and all urban shopping centres.

- One of the limitations of this study is that it did not qualify the respondents in terms of occupation and employment; and therefore, no assumption could be made on whether the respondents were part of the group termed 'black diamonds'.

- The concept of shopping centre atmosphere can be misinterpreted; and it should be carefully defined and explained in further studies – to ensure a common understanding.

- The age group 40+ years of age was not represented as well as the younger consumers.

- Due to the nature of non-probability sampling, the respondents used in this study were not representative of the broader South African black population. Therefore, the results could not be generalised to the entire population. It is suggested that future studies attempt to draw a more representative sample.

Despite these limitations, the findings from this study provide guidance and insight into the understanding of the perceptions that black consumers hold on shopping centres and the factors that make them the preferred shopping destination.

8.5 RECOMMENDATIONS FOR FURTHER RESEARCH

Due to the limitations of this study, as well as the recommendations raised, the following recommendations for future research are suggested:

- A study to compare the views of different racial groups of consumers to determine the influence of culture on the behaviour of consumers. This study should preferably be conducted in urban centres.

- With the rise of shopping centres in rural areas, a comparative study on the attractiveness factors of urban and rural centres could be undertaken.

- Investigations on the correlation between shopping centre time spent in relation to spending patterns could be undertaken.

- The security issues relating to shopping centres, armed robberies, card cloning and petty theft, in addition to the influences these issues could have on shopping centre patronage could be investigated.

- The willingness to pay for entertainment, or not, warrants investigation.

8.6 EVALUATION OF THE OBJECTIVES SET VERSUS THE RESEARCH RESULTS

The results presented in Chapter 7 enabled the researcher to evaluate the research hypotheses, and to address the formulated research objectives. In this section, the objectives of the study are compared to the outcomes of the research findings. Each of the objectives, as identified in Chapter 1 and Chapter 6, Section 6.4 will be stated, after which the research results will be summarised, to indicate whether the objectives have been met.

The first objective was to determine the perceptions of black African consumers regarding the attractiveness of a shopping centre in Nelspruit, a city in the Mpumalanga province of South Africa. The results revealed that consumers have different perceptions on the various factors of attractiveness that were investigated. A full summary of these results was provided in Table 7.4 and Table 7.9. This objective has thus been satisfied.

The second objective was to describe the demographical profile of respondents. The results are provided in Figure 7.1, gender, where it is indicated that 48,5% of the respondents were male and 51,5% of the respondents were female. The age distribution is depicted in Table 6.8. The age group 26 -40 years were the biggest group of respondents (50,14%). This objective has been met.

The third objective was to determine the modes of transport used by shoppers when visiting the shopping centre. This was an open ended question and the results indicated That most of the shoppers travel by private car, followed closely by public bus transport and taxis (see Table 7.7). The total of shoppers travelling by public transport, bus of taxi, is the highest. The objective was satisfied.

The forth objective was to determine the distance travelled to the shopping centre. The responses varied from less than 20km to more than 100km. The results are captured in Table 7.6. The objective was met.

To determine the frequency of visits to the shopping centre was the fifth objective. Table 7.3 summarises the responses. Most of the respondents indicated that they visit the shopping centre at least once per week. The objective was met.
The sixth objective was to determine the overall attractiveness of the shopping centre. The results revealed that 64,25% of consumers rated the shopping centre an 8 or higher, which indicated that the shopping centre is regarded as attractive by most of the consumers. This objective has thus been satisfied.

The seventh objective was to determine whether subgroups / factors exist among the shopping centre attributes. A factor analysis was performed; and the results indicated four factors that were identified. Factor 1 was grouped together under the heading, entertainment and facilities; and it included emergency services, facilities for disabled people, entertainment, special events, exhibitions and the spaciousness of the centre. Factor 2 relates to quality and atmospherics. This includes atmosphere, as well as the attributes that relate to quality and variety in services and merchandise.

The dimensions evident in factor 3 include the cleanliness of the centre, the service offering, security, accessibility and the availability of information desks. These all speak to the element of convenience. Factor 4 relates to way-finding and decor. The way-finding dimension includes clear signage and the layout of the shopping centre, as well as the availability and accessibility of the car parks, and the shopping hours that the centre keeps. This objective has thus also been satisfied.

The eighth objective was to determine whether there are significant demographical (gender, age) and patronage behaviour (distance travelled, frequency of visits) differences and the shoppers' perceptions on the issue of attractiveness of the shopping centre. Sub-hypotheses were set on all four factors to test the differences in the dimensions specified.

The results revealed that no differences exist between genders on their perceptions of the attractiveness of the shopping centre. No differences could be detected in the perceptions of consumers that had travelled various distances to the shopping centre. The only differences were found in the age group 26 - 40 years, who regarded the attributes in the factors relating to entertainment and facilities, quality and atmospherics and convenience more attractive attributes than did the other age groups. The shoppers visiting the shopping centre more than once a week also found entertainment and facilities as being more attractive than shoppers who visited the centre less frequently. There was no difference in the perceptions on the other factors between more- and less-frequent visitors to the shopping centre. This objective has thus also been satisfied.

The final objective was to determine the effect of the various shopping centre attractiveness factors on the overall attractiveness of the shopping centre. The results reflected in Table 7.22 – 7.25 indicated that although the R square value was low, and thus indicated that the three predictor values selected will not be a good model to predict overall attractiveness, it does provide us with the necessary information to determine the effect of the various shopping centre attractiveness factors on the overall attractiveness of the shopping centre. This objective has thus also been satisfied.

8.7 CONCLUSION

One of the most important observations of this study is that there seem to be no differences in the perceptions of male and female respondents on the various attributes of shopping centre attractiveness.

The new evolution worldwide is to develop sustainable buildings, and to operate these buildings in such a way that the carbon footprint is minimal, and whether it would have an impact on the development of shopping centres in the future. Centres will have to look at ways to minimise their use of electricity, and also to review their waste-disposal process. Recycling, up-cycling, sustainability, and “living off the grid”, comprise the new terminology that will impact on the way business is conducted.

Shopping centres need to keep up-to-date with trends in the retail environment, where technology is threatening the brick-and-mortar centres and shopping is not enough of a reason to visit the shopping centres any longer. The constant changes in consumer preferences and needs necessitate a constant re-evaluation and updating of the retail offerings. The challenge will be to provide a unique and novel destination, where consumers can meet to satisfy their need for social interaction, whilst engaging in their shopping.

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APPENDIX A:
QUESTIONNAIRE