

## **SECTION C: LITERATURE REVIEW**

Several articles and references have been reviewed in order to understand and reinforce the critical factors that make one mall more successful than another.

(a) THEEDGE in week of January 12,2004 have assembled several panelist who are from property sector, mall operators & retailers, to share their outlook and deliberate at length on what makes a successful mall.

The article titled "The retail evolution" had the input from several prominent Mall and Shopping Centre operators

The panelist identified 5 areas, which are critical for a malls success, these included , mall management team, location of the mall, transportation facilities accurate sale versus ownership decisions, (accurate here is implied to refer to the right type of retail operator and an fair mix of businesses) and finally it is design & image.

(b) Another interesting and relevant article to the research in hand was written by Richard Chan titled "Making Shopping centres successful" This article appeared in NST (Inside Retailing segment) on 28<sup>th</sup> August 2004.

The following core factors were ranked in terms of importance: -

<u>Rank No</u>	<u>Factory</u>
1	Management Team
2	Location
3	Tenancy Mix
4	Anchor Tenants
5	Accessibility

(c) Malaysian Business on November 16<sup>th</sup> to 30<sup>th</sup> 2003 issue published the article titled "Behind Every Successful Mall". This article was a result of Consultation and input from various property experts including the following: -

Previndran Singhe CEO of Zerin properties, Malathi Thevendran ED, Property consultant Jones Lang Wootton, HC Chan GM of sunway Pyramid Sdn Bhd, Righard Chan – President of Malaysian Association for Shopping & Highrise Complex Management (PKK- Persatuan Pengurusan Kompleks) and Sarkunan Subramaniam – Property Consultant of PPC International

Building on their input, Malaysian Business has identified 6 reasons why some malls prove to be more successful than others. The success model is build on the Hardware issues which covers location and accessibility and design. While the Software issues were pitched on Tenant Mix, Anchor Tenant and Management & Maintenance.

(d) Durvasula, Sharma & Andrews (1992) quote Kimes and Fitzsimmons 1990 that "Site selection for retail outlet is very often a determining factor in the success of most business. Whereas a good location may result in high sales revenue, increased market share and high profits, a poor location could became a financial liability". Craig, Ghosh and Mc Lafferty, (1984) indicate that it is probably the most important decision a retailer has to make Location is vital to ensure Mall success. Through a good location, Mall operators are able to sell their product or services to consumer. ***It is to be noted that store attraction decays with distance.*** There are a few models to help managers to make such decision such as GIS, STORELOC, Factor Rating, and Gravity etc.

- (e) CV Online Sdn Bhd, the internet marketing consultants have stated in an article dated 1997 that the shopping mall is the child of a physical world. Malls have been created for customers and traders to meet at one centralized location. Critical success factors for a shopping mall or market lies in its convenience in terms of location as well as the probable variety of goods and services available in the mall for customers. For merchants and retailers, such a location will provide them with high traffic volume of potential customers and hence the higher probability of sales.
- (f) Several other writers have also highlighted the importance of mall image to the mall successes. If location is the outlet for product & services, image is the only communication tools for the Mall management to their target consumer, market segment. The image of a mall as a whole would affect each retail store operating in the Shopping Mall. Store image is defined as “discriminative stimuli for an action’s expected reinforcement” Within this context retail store image may be viewed as the total conceptualization or expected reinforcement that a person associates with shopping at a particular store (Kunkel & Berry, 1968).

(g) Recent developments have also focused on facilities in a shopping centre as a core factor affecting consumer preference. In particular it is the security features especially at parking bays and lift areas and crimes encountered by consumers that have gained significant publicity in recent times.

Mary S. Smith , Vice President and Director of Parking Consulting for Walker Parking Consultants has stated the following in an article published in April 1996: -

Parking facilities comprise a large volume of space with relatively low levels of activity, hence violent crime is more likely to occur in a parking facility than in other commercial area. A typical suburban shopping centre requires 1.5 square feet of parking space for every square foot of leaseable retail space. Therefore, a shopping centre that consist of 1 million square feet will probably have 1.5million square feet of parking. More than 10,000 people may be at a mall during the peak hours of a busy shopping day, however only a small fraction will be in a parking lot, which is 1.5 times larger than the mall. This fact, increases the likelihood that an individual can be isolated in a parking area and be targeted for an attack, which, in turn, attracts people with criminal intent. Mall operators should take this observation seriously and improve mall security features.