

# Determinants of Customer Satisfaction in Context of Retail Malls: Empirical Evidence from India

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## Abstract

The Indian consumer market has seen a significant growth in the number of modern-day shopping centers, popularly known as 'malls'. This industry is changing at a very fast pace, and global competition has brought new demands such as the provision for additional facilities and flexibility within malls. The uncertain business environment has brought into question traditional notions of managing retail infrastructure and puts pressure on mall administrations to attract more footfalls in their malls to attract global/national retailers. Highlighting the importance of customer satisfaction in context of shopping malls, the current study explored the factors (using factor analysis), which could impact customer satisfaction. Higher satisfaction scores across the items of atmosphere dimensions suggested that atmosphere was an important dimension which customers used as a cue to evaluate any shopping mall. Furthermore, the image of the mall, number of events organized, and the promotional schemes & discounts offered within the mall premises were also evaluated by the consumers. Customers visiting the malls expect sales promotion schemes and discounts to be offered to them. The managements/managers of malls should also organize special events within the mall premises to attract customers' attention.

**Keywords:** customer satisfaction, retail infrastructure, retail management, shopping malls, store atmosphere

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Globalization and economic boom in many countries have motivated organizations to move beyond their national boundaries and set up retail businesses across the globe (Yuen & Chan, 2010) and India is not an exception. With escalating consumerism, unprecedented awareness, and a youth-heavy customer base, India is a 'Promised Land' for developed infrastructure, global brands, and retailers (Pradhan, 2014). The Indian retail industry, 90% of which is unorganized and is controlled by small family run outlets, is the largest among all industries contributing to over 14-15% of India's gross domestic product and was valued at around \$570 billion in 2013 (Deloitte Report, 2014). Indian urban consumers have a high disposable income and their attitude towards branded merchandise like apparels, cosmetics, shoes, watches, beverages, food, and jewellery is increasing day-by-day. The last few years have seen rapid transformation in many areas and the setting up of scalable and profitable retail models across categories. Indian consumers are rapidly evolving and are accepting modern formats overwhelmingly.

The Indian consumer market has seen a significant growth in the number of modern-day shopping centers, popularly known as 'malls'. The current trends of giant convenience stores, shopping malls, and supermarkets are

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gaining ground, thus, giving immense opportunity to organized retailers for penetrating into this flourishing industry (Pradhan, 2014). There is an increased demand for quality retail space from a varied segment of large-format retailers and brands, which include food and apparel chains, consumer durables, and multiplex operators. Through the 1990s, organized retail in India added just 1 million sq. ft of space a year. Now, the story is completely different, and the mall boom is all set to alter the competitive dynamics. Mall development is phenomenal in the country as mall mania is spreading fast and has entered even the second and third-tier cities. Shopping-centre development has attracted real-estate developers and corporate houses across cities in India. As a result, from just three malls in 2000, India now has numerous malls till date. While previously, it was the large, organized retailers - with their modern, up-market outlets, and direct consumer interface- who had been a key factor driving the growth of organized retail in the country, now it is the malls which are playing the role. Real estate developers are jumping very fast to take this further from Metro cities to smaller cities and corporate houses like ITC and Sriram group are making steady progress to make this phenomenon feasible in the rural markets as well (Pradhan, 2014).

The retail industry is changing at a very fast pace, and global competition has brought new demands on shopping malls - such as the provision for additional facilities and flexibility within malls for making customers remained attached with the malls/retailers (Malar, Krohmer, Hoyer, & Nyffenegger, 2011; Rust, Zeithaml, & Lemon, 2004). The uncertain business environment brought into question traditional notions of managing retail infrastructure and has put pressure on mall administrations to attract more footfalls to their malls so that they can increase the footfalls and use it as a cue to attract global/national retailers. With such quantum of new format retail space in the pipeline, innovation, striking the right tenant mix, effective mall management, and provision of ample parking space are components that decide the future success of mall developments. Malls in India need to have a clear positioning through the development of differential product assortment and differential pricing in order to compete effectively in a growing mall market. Segmentation in malls, like up-market malls, mid-market malls, and so forth ; proper planning ; correct identification of needs ; quality products at lower prices ; the right store mix ; and the right timing would ensure the success of the 'mall revolution' in India. Malls need to differentiate themselves clearly; one option may be to look at specialization.

In addition, competition has also forced shopping malls to search for new, more efficient ways of doing business to increase footfalls by focusing on customer-oriented facilities/services (Malar et al., 2011). It, thus, becomes important for mall managers/retailers to understand the satisfaction of customers w.r.t shopping malls. For the purpose, understanding of the antecedents of customer satisfaction is very important. Mall managers should question themselves and need to find answers to the following : (a) are the customers satisfied with the services provided by the retail shopping malls ? (b) is the shopping mall performing well to attract more customers? (c) how can the footfalls be increased in the shopping mall, and how can the services be improved to generate customer loyalty towards the shopping malls/retail stores (Mägi & Julander, 1996). Researchers have argued that marketing of the retail infrastructure is also an important component of the retail industry (Pradhan, 2014) to attract customers and for increasing customer satisfaction and loyalty (Yuen & Chan, 2010).

## **Review of Literature**

Customer satisfaction has, for many years, been a core concept of the American Marketing Association's marketing definition. Giese and Cote (2000) defined customer satisfaction as “identified by a response (cognitive or affective) that pertains to a particular focus (i.e. a purchase experience and/or the associated product) and occurs at a certain time (i.e. post-purchase, post-consumption)” (p. 15). This definition clearly indicates that customer satisfaction of an individual is an outcome of the value which he/she gets by the shopping experience, which is mediated by the hedonic and utilitarian shopping benefits (Carpenter & Fairhurst, 2005).

Oliver's (1993) model of consumer satisfaction demonstrates that satisfaction judgments are influenced by (a) both positive and negative affective (i.e. emotional) responses, and (b) cognitive disconfirmation. Customer satisfaction exists as a result of customers' subjective evaluation between the services they expect and the actual services delivered (Pradhan, 2014).

As per this definition, customer satisfaction will occur if delivered services exceed customer expectations and vice-versa (Pradhan, 2014). If excellent shopping experience is provided to customers, whom they value, their satisfaction with respect to the retail store is likely to increase (Carpenter & Fairhurst, 2005). It is argued that highly satisfied customers are more loyal and are willing to pay premium prices (Pradhan, 2014). Rust and Oliver (1994) described the dominant model of customer satisfaction in the services literature as a cognitive and affective reaction to a service incident (or sometimes to a long-term service relationship). Satisfaction (or dissatisfaction) results from experiencing a service quality encounter and comparing that encounter with what was expected (Oliver, 1980). Customer satisfaction is a mental state, which results from the customer's comparison of (a) prior expectations (b) performance perceptions (Oliver, 1993; Westbrook & Oliver 1991). Interestingly, customer satisfaction is not measured on the basis of a specific transaction, but on the basis of the customer-retailer relationship over a longer period of time (Sivadas & Baker-Prewitt, 2000).

Today, companies equate the pursuit and understanding of customer satisfaction with having and maintaining a competitive advantage over competition (Pradhan, 2014). Realizing the benefits and eventual monetary gains of satisfying the customer, businesses are seeing the importance of establishing and maintaining a thriving relationship with their customers (O'Brien & Jones, 1995). Anderson, Fornell, and Lehmann (1994) described several key firm benefits of high customer satisfaction: (a) increased loyalty for current customers, (b) reduced price elasticities, (c) insulation of current customers from competitive efforts, (d) lower costs of future transactions, (e) reduced failure costs, (f) lower costs of attracting new customers, and (g) enhanced reputation for the firm. These benefits, in turn, have a tremendous impact upon a firm, specifically in its profitability and market share (Fornell, 1992).

The concept of customer satisfaction can be extended to the retail industry as well. It can be used to evaluate/measure the performance/success of shopping malls. Shopping malls consists of different retail firms operating within a single roof (Sivadas & Baker-Prewitt, 2000) and impact customer attitudes, word-of-mouth communication, and future purchase behavior (Sivadas & Baker-Prewitt, 2000). Understanding customers and their needs is very important for the survival of malls in the dynamic retail industry since the level of customer satisfaction is dependent on it. Previously, researchers have argued that customer satisfaction w.r.t shopping malls is not dependent on product features or performance only, but on many other factors like salespersons (Goff, Boles, Bellenger, & Stojack, 1997), additional facilities, sales and promotion within shopping malls (Bromley, Matthews, & Thomas, 2007), and so forth.

A shopping mall (shopping centre) has been defined by Csaba and Askegaard (1999) as : A shopping centre is a special retail setting where the emphasis is directed on favoring conditions and facilities to put people at ease, encourage them to enjoy the place, and not just focus on buying or task-oriented activities. Langrehr (1991) called shopping malls as an important part of retail infrastructure which induce the consumption activities of consumers where different factors like size of the mall, availability of different stores within malls, events, as well as leisure-time activities are deemed very important.

Mall managers are required to have a very good understanding of the factors which could impact the performance of shopping malls. From time to time, researchers have identified different factors that can, directly or indirectly, impact the image/performance of the shopping malls. The concept as well as nature of shopping malls is quite different from single store retailing (Brito, 2009). Howell and Rogers (1981) explored three important factors having the potential to contribute to shopping malls' image. These factors were organizing special events/exhibits, common area atmosphere (Panda, Swar, & Mukerjee, 2014), and recreational value. Recently, researchers have argued that socialization and recreational nature are the two important attributes of

**Table 1. Customer Satisfaction Evaluation Attributes in Context of Shopping Malls**

Variables	Attributes
Merchandise	Quality, Selection or Assortment, Styling or Fashion, Guarantees, and Pricing
Service	Service - General, Salesclerk Service, Presence of Self Service, Ease of Merchandise Return, Delivery Service, and Credit Policies
Clientele	Social Class Appeal, Self - Image Congruency, and Store Personnel
Physical Facilities	Elevators, Lighting, Air Conditioning, Washrooms, Store Layout, Aisle Placement and Width, Carpeting, and Architecture
Convenience	Convenience - General, Locational Convenience and Parking Convenience
Promotion	Sales Promotions, Advertising, Displays, Trading Stamp, and Symbols & Colours
Store Atmosphere	Feeling of Warmth, Acceptance, or Ease
Institutional Factors	Conservative - Modern Projection, Reliability, and Reputation
Post Transaction Satisfaction	Merchandise in Use, Returns, and Adjustments

Source: Adapted from Anselmsson (2006) and Lindquist (1974)

shopping malls. These factors, sometimes, also act as an important source of leisure destination (Howard, 2007) and enhance customer satisfaction towards the shopping mall (Rintamäki, Kanto, Kuusela, & Spence, 2006).

Bromley et al. (2007) investigated the customer satisfaction of wheelchair customers and advised mall managers of shopping malls/super markets to understand the needs of these customers by providing a better customer experience, which, in turn, impacted their satisfaction towards shopping malls. Lindquist (1974) also argued that customer satisfaction in context of shopping malls is dependent upon many factors like Atmosphere within the mall, Convenience of reaching the shopping mall, Employees, Location, Merchandise, Promotion, Refreshments, Security, and Availability of retail stores within the shopping mall. Anselmsson (2006) developed and validated a scale to measure the satisfaction of customers w.r.t shopping malls that included different factors as discussed by Lindquist (1974). Some of these factors are as discussed in the Table 1.

## Objectives of the Study

This study aims to:

- (1) Understand and explore the factors contributing to customer satisfaction in context of shopping malls.
- (2) Establish and investigate the effect of different factors on customer satisfaction w.r.t shopping malls in Northern region of India.
- (3) Suggest strategic measures to mall managers to increase footfalls.

## Research Methodology

**(1) Instrument Used in the Study :** For measuring customer satisfaction w.r.t shopping malls, a modified 27 - item scale developed using Anselmsson's (2006) study was used. A qualitative study was conducted before the final data collection to add few relevant items to the scale. The qualitative study consisted of four professors teaching the course of Retail Management to post-graduate students. Two professors were from a large state university, and two professors were from a large private university. The scale was modified to add new items on the basis of the information generated through the qualitative method and as per the context of the study. The

**Table 2. Attributes for Measuring Customer Satisfaction in Context of Shopping Malls**

Attributes Included	Items Used in the Study
Public Spaces, Signages, Decoration, Crowding levels, Mall layout, Ease, Clientele	<ul style="list-style-type: none"> <li>• The public spaces in this mall are bright &amp; airy.</li> <li>• The public spaces in this mall have a modern appearance .</li> <li>• The public spaces in this mall are visually appealing.</li> <li>• The public spaces in this mall are clean &amp; fresh.</li> <li>• The shops / outlets in this mall are clean &amp; fresh.</li> <li>• The signs and decoration of public spaces in this mall are pleasant and tasteful.</li> <li>• The signs and decoration of shops in this mall are pleasant and tasteful. <ul style="list-style-type: none"> <li>• The level of crowding in this mall is low.</li> <li>• This mall has a customer friendly layout.</li> <li>• It is easy to find one's way in this mall.</li> <li>• This clientele visiting this mall is decent.</li> </ul> </li> </ul>
Entrances, Resting Seats, Working hours, Escalators, Lifts, Stairs, Parking facilities, Rest rooms, Concierge, Facilities for physically challenged	<ul style="list-style-type: none"> <li>• This mall has an adequate number of resting seats for the visitors.</li> <li>• This mall has well designed and adequate number of entrance(s).</li> <li>• The opening hours / working days of this mall are satisfactory. <ul style="list-style-type: none"> <li>• This mall has an adequate number of quality lifts.</li> <li>• This mall has an adequate number of quality escalators.</li> <li>• This mall has a good accessibility of stairs.</li> </ul> </li> <li>• This mall has adequate and well managed parking facilities.</li> <li>• This mall has an adequate number of clean rest rooms / toilets. <ul style="list-style-type: none"> <li>• This mall has a concierge / information desk.</li> </ul> </li> <li>• This mall offers facilities for physically challenged customers.</li> </ul>
Friendly attitude, Assistance, Knowledge	<ul style="list-style-type: none"> <li>• The staff receives the customers in a friendly manner.</li> <li>• The staff at this mall is available to provide necessary assistance / help whenever required. <ul style="list-style-type: none"> <li>• The staff in this mall is friendly during the checkout stage.</li> <li>• The staff in this mall is generally very friendly.</li> </ul> </li> <li>• The staff in this mall has knowledge about the stores' location.</li> </ul>
Convenient location, Near shopping areas	<ul style="list-style-type: none"> <li>• This mall is located at a convenient location.</li> <li>• This mall is well located near other shopping areas.</li> </ul>
Price level, Quality, Exclusivity, Diverse, Fairness of prices	<ul style="list-style-type: none"> <li>• In general, the price level of merchandise in this mall is reasonable. <ul style="list-style-type: none"> <li>• This mall offers merchandise of high quality.</li> <li>• The merchandise on offer in this mall is exclusive.</li> <li>• The merchandise on offer in this mall is diverse.</li> </ul> </li> <li>• The prices of goods and services offered in this mall are fair.</li> </ul>
Image, Events, Discounts, Sales promotions, Advertisement	<ul style="list-style-type: none"> <li>• This mall has a positive image and is very popular. <ul style="list-style-type: none"> <li>• This mall organizes special events regularly.</li> </ul> </li> <li>• The shops in this mall offer discounts and sales promotion schemes. <ul style="list-style-type: none"> <li>• This mall is advertised on a regular basis.</li> </ul> </li> </ul>

(contd. on next page)

<b>Food court, Cafeteria</b>	<ul style="list-style-type: none"> <li>• This mall has an excellent food court.</li> <li>• This mall has an excellent cafeteria / coffee shop.</li> </ul>
<b>Facilities, Staff</b>	<ul style="list-style-type: none"> <li>• The security facilities in this mall are satisfactory.</li> <li>• The security staff in this mall is helpful.</li> </ul>
<b>Diverse outlets, Attractive Range, Entertainment / Gaming Zone, Theatre / Multiplex Option</b>	<ul style="list-style-type: none"> <li>• The shops / outlets in this mall are wide &amp; varied.</li> <li>• There is an attractive range of shops in this mall.</li> <li>• This mall has an excellent gaming / entertainment zone.</li> <li>• This mall offers excellent theatre &amp; multiplex options.</li> </ul>
<b>Overall Customer Satisfaction</b>	<ul style="list-style-type: none"> <li>• On the whole, I am satisfied with this mall.</li> </ul>

Source: Adapted from J. Anselmsson (2006). Sources of customer satisfaction with shopping malls: A comparative study of different customers segments. *The International Review of Retail, Distribution and Consumer Research*, 16 (1), 115 - 138. DOI:10.1080/09593960500453641

**Table 3. Demographic Break Up of the Customer Sample**

Variable		Number of Respondents (n =1500)	%age of total
Gender	Male	788	52.53 %
	Female	712	47.47 %
Age	< 20 years	112	7.47 %
	20 - 30 years	544	36.27%
	30 - 40 years	433	28.87 %
	40 - 50 years	325	21.67%
	> 50 years	86	5.73%
Marital Status	Married	1109	73.93%
	Unmarried	391	26.07%
Monthly Household Income	Less than ₹ 25,000	712	47.47%
	₹ 25,000 - ₹ 40,000	623	41.53%
	Greater than ₹ 40,000	165	11.00%
Frequency of visit	1- 3 times	789	52.60%
	4 - 6 times	510	34.00%
	Greater than 6 times	201	13.40%
Visit When	Weekdays	629	41.02%
	Weekends	925	59.50 %

questionnaire was pre-tested among the target respondents before collecting final data to identify any ambiguity and error. All the questions were close - ended structured questions. Out of the 54 questions, 46 questions used the 7 point Likert scale with only polar categories being labeled as 1 - *strongly disagree* and 7 - *strongly agree* so as to ensure the generation of metric data.



**Table 4. KMO and Bartlett's Test of Sphericity**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.820
Bartlett's Test of Sphericity	Approx. Chi-Square	2973.668
	df	176
	Sig.	.001

The remaining eight questions were multiple category close-ended questions that generated information related to demographic profile of the respondents. The final dimensions that were included in the customer satisfaction questionnaire are as shown in the Table 2.

**(2) Sampling Design :** The target population for this study included all the operational/working malls in the cities of Delhi/New Delhi, Noida, Gurgaon, Ludhiana, and Chandigarh. In all, it included 17 malls in Delhi/New Delhi region, 8 malls in Noida region, 7 malls in Gurgaon Region, 1 mall in Chandigarh, and 2 malls in Ludhiana. In At the first level, it was important to select the malls from the total list of malls in each of the cities. A qualitative research approach was adopted to select the malls for the study. A random sample of 55 individuals in Delhi/New Delhi (25 respondents), Noida (10 respondents), Gurgaon (10 respondents), Ludhiana (5 respondents), and Chandigarh (5 respondents) were selected for individual in-depth interviews. A total of 14 malls were finally selected and covered for the present study.

After the selection of the malls, the next level was the selection of customers visiting the malls. A combination of random sampling and cluster sampling technique was used to select the respondents. For the selection of the customers, the mall-intercept method was used, which is considered as an appropriate technique in the retail context. Individuals within the mall were randomly intercepted and were requested to participate in the survey. Due consideration were given to ensure that visitors from all the floors of the mall were included in the sample. Only those visitors were asked to participate in the study who had made a transaction or purchase within the mall premises. The study was carried during the first quarter of 2014.

**(3) Sample Size :** Aaker, Kumar, and Day (2001) suggested that a sample size of 1000+ respondents is a typical sample size that can provide reliable results. The customer satisfaction questionnaire was administered to a total of 1775 respondents spread across these 14 malls, out of which 1500 usable responses were finally used for the analysis. The demographic profile of the sample respondents is presented in the Table 3.

## Data Analysis and Results

Data collected from the target respondents was subjected to factor analysis using SPSS for exploring the underlying dimensions of customer satisfaction in the context of shopping malls.

**(1) Factor Analysis :** In order to explore the possibility of applying factor analysis to the data in hand, the intercorrelation matrix was first calculated by using Bartlett's test of Sphericity and Kaiser-Meyer-Olkin measure of sampling adequacy (KMO). The KMO value of 0.820 (Table 4) suggests that the factors extracted account for a substantial amount of variance. Furthermore, Bartlett's test of sphericity also suggests that the intercorrelation matrix is factorable and factor analysis can be applied to the current data as the correlation between different items is also statistically significant ( $p < 0.00$ ).

The anti-image matrix was also calculated, and the findings suggest that there is no need to drop any item and all items should be included in the final factor analysis procedure. Principal component method, the most

**Table 5. Factor Loadings of Dimensions of Customer Satisfaction**

Factor Attributes Included	Cronbach's Alpha (Variance Explained)	Item	F1	F2	F3	F4	F5	F6	F7	F8	F9
<b>ATMOSPHERE</b> (11 items)		The public spaces in this mall are bright & airy.	0.83								
		The public spaces in this mall have modern appearance.	0.78								
Public Spaces,		The public spaces in this mall are visually appealing.	0.77								
Signages,		The public spaces in this mall are clean & fresh.	0.88								
Decoration,	0.86	The shops / outlets in this mall are clean & fresh.	0.92								
Crowding levels,	(23.22%)	The signs and decoration of public spaces in									
Mall layout,		this mall are pleasant and tasteful.	0.89								
Ease, Clientele		The signs and decoration of shops in this mall	0.76								
		are pleasant and tasteful.									
		The level of crowding in this mall is low.	0.79								
		This mall has a customer friendly layout.	0.82								
		It is easy to find one's way in this mall.	0.83								
		This clientele visiting this mall is decent.	0.86								
<b>CONVENIENCE</b> (10 items)		This mall has an adequate number of	0.76								
		resting seats for the visitors.									
Entrances,		This mall has well designed and adequate	0.85								
Resting Seats,		number of entrance(s).									
Working hours,		The opening hours / working days of	0.91								
Escalators, Lifts,	0.92	this mall are satisfactory.									
Stairs, Parking	(14.01%)	This mall has an adequate number of quality lifts.	0.85								
facilities, Rest		This mall has an adequate number of quality escalators.	0.76								
rooms,		This mall has good accessibility of stairs.	0.79								
Concierge,		This mall has adequate and	0.92								
Facilities for		well managed parking facilities.									
physically		This mall has adequate number of	0.77								
challenged		clean rest rooms / toilets.									
		This mall has a concierge / information desk.	0.84								
		This mall offers facilities for physically	0.79								
		challenged customers.									
<b>EMPLOYEE</b> (5 items)		The staff receives the customers in a friendly manner.	0.87								
		The staff in this mall is available to provide necessary	0.68								
Friendly	0.83	assistance / help whenever required.									
attitude,	(8.23%)	The staff in this mall is friendly during the checkout stage.	0.72								
Assistance,		The staff in this mall is generally very friendly.	0.90								
Knowledge		The staff in this mall has knowledge about the store location.	0.66								



<b>LOCATION</b>	0.77	This mall is located at a convenient location.	0.69
(2 items)	(5.21%)	This mall is located near other shopping areas.	0.82
<b>MERCHANDISE</b>		In general, the price levels of merchandise in this mall are reasonable.	0.98
(5 items)		This mall offers merchandise of high quality.	0.65
Price level,	0.74	The merchandise on offer in this mall is exclusive.	0.56
quality,	(4.76%)	The merchandise on offer in this mall is diverse.	0.77
exclusivity, diverse,		The price of goods and services offered in this mall is fair.	0.83
fairness of prices			
<b>PROMOTION</b>		This mall has a positive image and is very popular.	0.70
(4 items)		This mall organizes special events regularly.	0.75
Image, Events,	0.91	The shops in this mall offer discounts	0.69
Discounts,	(4.22%)	and sales promotion schemes.	
promotions, advertisement		This mall is advertised on a regular basis.	0.81
<b>REFRESHMENTS</b>	0.69	This mall has an excellent food court.	0.78
(2 items)	(3.1%)	This mall has an excellent Cafeteria / Coffee Shop.	0.77
<b>SELECTION</b>		The shops / outlets in this mall are wide & varied.	0.65
(4 items)	0.75	There are attractive range of shops in this mall.	0.56
Diverse outlets,	(2.9%)	This mall has an excellent gaming / entertainment zone.	0.77
range,		This mall offers excellent theatre & multiplex options.	0.83
entertainment/multiplex			
<b>SECURITY</b>	0.66	The security facilities in this mall are satisfactory.	0.98
(2 items)	(1.9%)	The security staff in this mall is helpful.	0.65

**KMO Value = 0.82 ; Total Variance Explained = 67.55%**

Source: Factor Analysis

**Table 6 (a). Regression Model 1 Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.587	.345	.341	1.13741

commonly used method, was used to find the initial solution. Eigen value criteria was used for the confirmation of the initial solution. The initial solution suggests that nine factors have an Eigen value greater than 1 and the factor pattern is consistent across the sample, which is easy to interpret since the items loaded heavily on a single factor. These nine factors are: Atmosphere (11 items), Convenience (10 items), Employee (5 items), Location (2 items), Merchandise (5 items), Promotion (4 items), Refreshments (2 items), Selection (4 items), and Security (2 items).

**Table 6 (b). Regression Coefficients of Model**

Variable	Beta Value ( $\beta$ )	t-value	p-value
Constant	-.867		
Atmosphere	-.064	-2.414	0.03
Convenience	.248	10.053	0.00
Employee	.072	3.147	0.00
Location	.085	3.501	0.02
Merchandise	.037	1.672	0.01
Promotion Activities	-.135	-5.297	0.00
Refreshments	.490	18.299	0.04
Security	.061	2.396	0.00
Selection	.095	3.552	0.00

Source: Factor Analysis

Results of the factor analysis reveal that Atmosphere within a shopping mall is the most important parameter which impacts customers' satisfaction towards any shopping mall (23.22% of the variance explained) followed by Convenience (14.01% of the variance explained) and Behaviour of Employees (8.23% of the variance explained). The variance explained by other factors as well as the total proportion of variance explained for each item is presented in the Table 5 (under Factor loadings of dimensions of customer satisfaction). It is observed that all the factors, in totality, explain 67.55% of the total variance.

**(2) Regression Analysis :** To identify the relative importance of the customer satisfaction dimension, the customer satisfaction scores (as dependent variable) were subjected to regression analysis with the mean scores of the underlying dimensions, that is, Atmosphere, Convenience, Employee, Location, Merchandise, Promotion Activities, Refreshments, Security, and Selection dimensions as the predictor variables using SPSS. Within each underlying dimension of customer satisfaction, the scores for each item was averaged and then entered into the linear regression model (as shown in Equation (1)). This analysis was conducted at the aggregate level, that is, the scores of all the 14 malls have been considered simultaneously. In mathematical terms, the following function has been tested:

$$\text{Customer Satisfaction} = f(\text{Atmosphere, Convenience, Employee, Location, Merchandise, Promotion Activities, Refreshments, Security, Selection}) + \text{Error} \dots \dots (1)$$

The results suggest that the overall customer satisfaction is a function of the underlying variables as mentioned. The  $\beta$  values for all the variables are significant as suggested by the  $p$  - values. All the variables except Atmosphere and Promotion Activities are positively related to the overall customer satisfaction (Table 6 (b)). This indicates that if a mall is offering excessive promotional activities, the overall customer satisfaction can be reduced. This can be explained by the fact that promotional activities can lead to overcrowding (and thereby reducing the Atmosphere dimension score) and also decreased perception of the merchandise available within the mall. The overall model summary is presented in Table 6(a). The findings suggest that all these eight dimensions together explain 34.5% of the total variance in customer satisfaction as suggested by the R-Square value. This score suggests that customer satisfaction in the context of malls is a complex variable and is a function of many more underlying variables.

## Discussion and Suggestions

There are very few studies that have examined customer satisfaction in context of malls. This study supports that customer satisfaction towards shopping malls is dependent on Atmosphere, Convenience, Employees, Location, Merchandise, Promotion Activities, Refreshments, Security, and Selection. The regression analysis results suggest that all the nine dimensions, that is, Atmosphere, Convenience, Employees, Location, Merchandise, Promotion Activities, Refreshments, Security, and Selection are all important dimensions that can explain customer satisfaction.

The higher satisfaction scores across the items of the *Atmosphere* dimension suggests that mall developers should pay attention to aspects like creating modern visually appealing appearances, bright and airy public spaces, and providing a customer-friendly layout. Other than the infrastructural aspect of the atmosphere, the satisfaction scores highlight the importance of housekeeping aspects. The customers, while visiting the malls, expect clean and fresh public spaces and outlets. It is ,therefore, important for all the mall management companies to strictly adhere to best practices in housekeeping. All the outlets should maintain similar standards because variations across the outlets can spoil the overall experiences of the visitors and thereby reduce the overall satisfaction.

It is not only the 'appearance' of the public spaces that is evaluated as a part of customer satisfaction, but also the appearance of the shops within the mall. In case the shops within the malls are not tastefully done, the overall image of the mall can come down. Therefore, the mall management companies should regulate the way the shops are designed and maintained within the malls. It was reported by one of the shop owners in a mall in Delhi that because of the poor design and maintenance of the adjacent shops, his business started declining because the customers did not prefer to pass through the aisle where the not so aesthetically pleasing shops were located.

The *Convenience* dimension has also been considered as an important dimension in the overall customer satisfaction. The scores of this dimension suggest that the mall developers should pay adequate attention to the number of entrances, stairs, elevators, and escalators installed in a mall. It was observed that especially in case of big malls, customers expect multiple entrances and exits. Malls that provide concierge / information desks have reported higher customer satisfaction scores. It is ,therefore, important for the mall management companies to ensure that they provide an information desk that facilitates the visitors. Another important dimension that has an influence on customer satisfaction is the number of resting seats that are provided. The visitors those who come along with their families expect the provision of resting seats, especially for their parents / elder family members. Moreover, during weekends, people visit the malls for entertainment purposes and have the tendency to spend more time in the malls. It was reported by some of the customers that they preferred to visit only those malls that had an adequate provision of resting seats and tended to avoid those that did not provide adequate resting seats. Some of the shop owners can also explore this possibility of providing resting seats, especially for elder people accompanying the visitors. This can possibly increase the footfalls to their outlets.

Another important aspect of Convenience is the provision of clean rest rooms / wash rooms. The findings suggest that customers visiting the malls were generally satisfied on this account. Consumers expect the rest rooms to be spick - and - span. During discussions, it was stated that in case the customers' experience with the rest room was negative, their overall satisfaction level turned out be low.

The *Employee* dimension is a very important dimension on which the customer evaluates a mall. Generally, the customers were satisfied on this account with majority of the malls. The customers expect that the staff working in the malls should be friendly, should have adequate knowledge about the mall, and should provide necessary assistance or help whenever required. This suggests that a negative encounter at the beginning of an experience can have a detrimental effect on the overall experience within the mall. The low scores can be attributed to the security check or wherever the mall does not permit to carry baggage inside the mall premises. This was the case with Fun Republic, Chandigarh, where the visitors reported negative experiences. It is not the

reception of the customers that is only important; the findings suggest that it is also the friendly exit that can contribute to the overall satisfaction of the customers. Generally, the security services in the malls are outsourced, and the mall management companies do not pay adequate attention to the performance by these employees. It is pertinent to mention that during the interactions with the customers, it was highlighted by them that irrespective of the company the security personnel worked for, they were perceived to be the employees working within the mall. This, therefore, poses a considerable challenge for the mall management companies. They should take initiatives to set the standards of performance for all the employees working within the mall premises irrespective of the organizations they work for. All the organizations operating within the mall premises can formulate certain standards and sensitize their employees to adhere to such standards.

The next important dimension of customer satisfaction is the *Merchandise* that is available within the mall. Since the core product offered by malls is the merchandise, due attention is to be paid in terms of the tenant mix that is being offered within the mall premises. Customers evaluate the malls on the basis of price levels, merchandise quality, exclusivity, diversity, and fairness level. It is observed that the customers indicated moderate satisfaction levels w.r.t the fairness of prices within malls. This suggests that the customers perceived the prices offered within the malls to be generally high as compared to other shopping destinations. Customers visiting malls expect diverse merchandise to be available within the premises. The concept of 'everything under one roof' in the true sense is very important for higher satisfaction level of the customers. There can be exceptions if the mall is positioned as a specialized mall focusing on specific product categories. Under such circumstances, the customers expect diversity and exclusivity within product categories. Higher satisfaction levels were reported in general w.r.t. the merchandise dimension. Since the concept of malls is a relatively new concept in the Indian market place, higher satisfaction scores were anticipated.

Another important determinant of customer satisfaction is *Promotion Activities*. The image of the mall, number of events organized, and the promotional schemes and discounts offered within the mall premises were also evaluated by the consumers. In general, the malls were able to establish a positive image. Customers visiting the malls expect sales promotion schemes and discounts to be offered. Since multiple brands within the same product category are available, consumers expect better deals to be available within the mall. Therefore, the outlets operating within the mall can design special promotional schemes to not only attract the customers, but also to enhance their overall satisfaction levels. The mall management companies should also organize special events within the mall premises to attract the attention of the customers. In certain instances, it was reported by the customers that they felt excited while participating in these special events. Hence, outlets can design promotional schemes around special events to attract the customers' attention.

*Security* within the mall is another important dimension of customer satisfaction. Both the security facilities and the security staff were evaluated by the customers. The management of the malls should ensure that the security staff is well behaved, well - mannered, courteous, and the overall feel of the mall should provide a sense of security to the customers.

The customers expect that there should be a wide variety of shops (*Selection*) within the mall. Attractive range of shops generates excitement among the customers and provides them with an opportunity to shop. Since the customers visit the malls with multiple motives, one of them being leisure and entertainment, the presence of multiplex and entertainment zones enhances their satisfaction levels.

In addition to these factors, the nature and quality of *Refreshments* available within the malls are also the key determinants of customer satisfaction as well.

## Managerial Implications

This study was conducted with an aim of exploring the factors responsible for customer satisfaction towards

shopping malls. It was found that Atmosphere, Convenience, Employee, Location, Merchandise, Promotion Activities, Refreshments, Security, and Selection are deemed important from customers' perspective. Mall developers / managers are advised to focus on the following aspects : Creating modern visually appealing appearances, bright and airy public spaces, providing a customer friendly layout, as well as lay emphasis on the housekeeping aspects. Mall managers are also advised to focus on the looks of the shops within the mall as a mall's image is dependent on the image and aesthetic look of the shops located in a mall. Hence, mall managers need to regulate the way in which the shops are designed and maintained within the malls.

Provision of an information desk for facilitating shoppers / visitors should also be an issue of concern for the managers. In addition, creation of resting areas/lounges should also be on the priority list of mall managers. Visitors who come along with their families expect the provision of resting seats, especially for their parents / elder family members. Moreover, during weekends, people visit the malls for entertainment purposes and have the tendency to spend more time in the malls. Availability of proper seating increases the footfall to their outlets. Another important aspect of convenience is the provision of clean rest rooms / toilets. Another important determinant of customer satisfaction is promotion activities.

## **Conclusion**

The findings of the study reflect that customer satisfaction w.r.t shopping malls is subjected to different dimensions which mall managers should work upon. The findings of the paper are different from some of the recent studies conducted on customer satisfaction among shoppers in shopping malls (Madan & Kumari, 2012 ; Wong, Cheong, Wong, & Wong, 2012). These studies only discussed the impact of certain factors on customer satisfaction in shopping malls and failed to take a holistic view of the same by not deeply investigating the construct. This present study focuses on the review of literature for the identification of main variables affecting customer satisfaction in shopping malls. The higher satisfaction scores across the items of the atmosphere dimension suggests that the atmosphere of a mall is an important dimension which customers use as a cue to evaluate any shopping mall. The satisfaction is also dependent on the housekeeping aspect, which is also very important for the customers.

The image of the retail shops operating within the premises of the shopping mall also impacts customer satisfaction. Emphasis should be on regulating and managing the shops within the mall. Customers' expectations are higher in terms of larger shopping malls, and it was observed that customers expected multiple entrances/exits as well as resting places within the shopping malls for kids/elder family members. This can possibly increase the footfalls to the malls. The mall managers need to understand that it is not only the entrance that can make satisfied customers, but a friendly exit as well. All the organizations operating within the mall premises can formulate certain standards and sensitize their employees to greet customers while they are exiting from the malls. Furthermore, the image of the mall, number of events organized, and the promotional schemes and discounts offered within the mall premises were also evaluated by the consumers. In general, the sample malls were able to establish a positive image. Customers visiting the malls expect sales promotion schemes and discounts to be offered to them. The management/managers of a mall should also organize special events within the mall premises to attract the customers' attention.

## **Limitations of the Study and Directions for Future Research**

Use of real organizational data is the greatest strength of this research. A major contribution of this research is that it provides empirical evidence for a complex link between different factors affecting customer satisfaction in



context of shopping malls. Along with strengths, the study suffers from minor limitations. One of the limitations of this study is that it has been confined to the Northern part of the country and was not able to incorporate data from other regions of the country. Future research can explore if there are regional effects and can provide additional empirical evidence to establish a relationship between employee commitment and customer satisfaction. Future research can also explore if there is any mediating variable that can possibly further strengthen the relationship between the customer and customer satisfaction.

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