Research Paper Commerce

Factors Determining Tenants Satisfaction in Shopping Malls at Chennai City

Dr. V. Sujatha | Principal, Cauvery College for Women , Trichy , Tamil Nadu, India

B.Mitra Priya | Ph.D Research Scholar, Department of Commerce, Cauvery College for Women , Trichy, Tamil Nadu, India.

ABSTRACT

Success of the shopping mall depends on the tenants' occupancy rate. Occupancy rate defines the cash flow of shopping mall, so mall managers strive to retain the occupants as even if one or two tenants leave it causes a domino effect. Hence to ensure the property returns, managers try to maximise the tenants' satisfaction. In this research factor analysis is conducted to identify the most influencing factor of tenants' satisfaction. T- test is used to analysis the satisfaction level of the tenants'. The result of the analysis revealed that retailers are greatly influenced by factors like mall ambience, facilities provided and support extended by management and their satisfaction level with regard to these factors are also high.

KEYWORDS Shopping mall, tenant satisfaction, Mall management.

Introduction:
Shopping mall encompasses a group of retail and entertainment establishments that is managed as a single property. Shopping mall, to differentiate from other malls and to compete with high street retail cluster, mall management should deploy successful strategies to attract more retailers and to retain them. Tenants lease out the property and pay rent for the same. As the mall benefits from tenants - the primary customers of the shopping mall in the form of rent, it becomes crucial to maintain satisfactory experience of tenants. Tenant retention is more cost effective than to find a new tenant. To retain the current tenant, mall managers must understand the expectations of the tenants and identify the area where the mall can provide better service. Accordingly mall management should device the tenant satisfaction strategies.

There are various factors which influence satisfaction among tenants. Firstly, most influencing factors are traffic attractions factors like ambience, promotional strategies and balanced tenancy. Secondly, factors which help the retailers for smooth running of their business like infrastructure, amenities' and mall management support. Each retailer is unique and their expectations too differ. So strong, purpose oriented and dedicated managers are required to keep the tenants satisfied.

Literature Review:
Yuan (1996) explained that facilities like sufficient parking space, fire extinguisher, restrooms, escalators, elevators air-conditioning are important factors which influence retail tenant satisfaction

Arpita Khare and Sapna Rakesh (2010) the research was directed towards retailers to decipher the traffic generating factors. The result of the study revealed that entertainment facilities, services, ambience and mall management are responsible for mall traffic.

Chirstoph Teller, Peter schnedlitz (2012) the researcher identified that location – related drivers including geographical location, accessibility and parking conditions have a highest impact on agglomeration effects in terms of economic success of tenants.

Noreina Kepal Nur Aniza Quantaniah Mohd Jusoh Ahmed Kesari (2013) the research paper attempted to identify the factors determining tenants satisfaction and the results showed that the most decisive factor is ambience followed by service quality, facilities, tenant mix and rental rate.

Benyada Sinchaloenman, Atcharawan Ngamyan,Ph.D (2013) In this study researchers explored the key factors that a shopping mall management should apply on their policy so that the existing tenants renew their contract. The researcher identified that trust and center management performance are direct factors which impact tenants to renew their rent contract and the indirect factors are empowerment, responsive behavior, cooperate and service quality. Management should focus on meeting tenants' satisfaction. If they are satisfied, the probability that they will renew the contract is high. And the shopping mall will get higher income on operation and this will lead to the shopping mall success and sustainability.

Objectives of the study:
1. To identify the influencing variables
2. To analyse the impact of ambience on tenants satisfaction.
3. To evaluate the management support to enhance the tenants satisfaction.
4. To understand the influence of facilities provided in the mall on tenants satisfaction.

Hypothesis:
The following hypothesis were framed

Ho: There is no significance difference between the expected mean score and observed mean sore of Attractive ambience, relaxing ambience

Ho: There is no significance difference between the expected mean score and observed mean score of sustainers

Ho: There is no significance difference between the expected mean score and observed mean score of enhancers.

Methodology:
The study covered the retail tenants of five malls at Chennai city. From these five malls using convenience sampling technique questionnaire survey was conducted to 75 tenants out of which 68 tenants responses were returned to the researcher. Sampling unit of the study is either the owner or the manager of the retail outlet. The questionnaire focused on the factors which indicate tenant satisfaction. These factors were measured with the help of statements with three independent variables. Respondents were asked to rate their level of agreement in 5 point liker-scale responses. In this research factor analysis is adopted to identify the influencing variables and t test is applied to test the hypothesis.

Data Analysis and Interpretation:
The internal reliability of the three factors for tenant satisfaction were analysed through cronbach's Alpha.

Table 1: Reliability Test Showing Cronbach's Alpha

Multiple item scale	Cronbach Alpha	Number of items
Mall Ambience	.892	7
Mall Management support	.968	6
Facilities	.892	5

The result indicated that the value is above the recommended minimum of .7. Hence the data is reliable for further study.

Table 1: Tenant satisfaction indicators

S. No.	Indicators	Rotated factor loadings	
Factor 1	**Mall Ambience**	**Component 1**	**Component 2**
1.	Common area of the shopping mall is well cleaned	.974	
2.	The shopping mall has an Unique Plan of Architect	.974	
3.	The Shopping mall has pleasant atmosphere	.974	
4.	The shopping mall has pleasant garden		.859
5.	Adequate number of food and beverages attract more footfalls		.823
6.	The mall adopts green building norms		.809
7.	Shopping mall has adequate number of lounge		.770
Factor 2	**Mall Management support**		
1.	The shopping mall has a suitable marketing strategy	.884	
2.	The shopping mall has an appropriate tenant mix	.920	
3.	Able to contact management whenever needed.	.939	
4.	The shopping mall team is able to response to emergency case immediately	.884	
5.	Shopping mall Information reaches on time	.972	
6.	The shopping mall management response to problem systematically.	.972	
Factor 3	**Facilities**		
1.	The mall has special arrangement for disabled	.865	
2.	Has adequate number of ATM's		
3.	Provide 24X7 security	.955	
4.	Sufficient number of CCTV installed	.965	
5.	Has a Centralised A/C	.965	

Source: Computed based on primary data

Factor 1: Mall Ambience: The above table clearly indicates that the factor loadings for all seven variables are above .6. Ambience related variables are grouped into two factors. The first group consist of cleanliness, unique architect plan and pleasant atmosphere. This group is named as **"Attractive Ambience".** Contemporary design of the building is also a key differentiator which should stimulate the interest to make a visit to the mall in the minds of the people. Clean environment plays a vital role in attracting footfalls as it creates positive impression in the minds of the visitors. Pleasant atmosphere generate approach behaviour and have a greater influence on spending.

The second group consist of pleasant garden, adequate number of food courts, green building norms and adequate number of lounge to relax. These variables are named as **"Relaxing Ambience".** These variables make the visitors to spend more time in the mall. The greenery effect of pleasant garden in the shopping in spite of reducing the ambient temperature enhances the interior image of the mall. Various researches proved that greenery surroundings have positive influence on customers' perception towards retail environment .Food court in the mall provide rest to weary feet, and a place for hang out. Adequate number of food courts providing competitive variety encourages serious shoppers to have a break and enjoy quick fill ups and makes them to linger. Lounge in shopping mall helps the visitors to relax.

Exterior and interior attributes of mall ambience plays a vital role in attracting footfalls and increases the time spent by the visitors. Hence the ambience is the most influencing factor for retailers to lease a space in the shopping mall and stay for long period.

Factor 2: Facilities: Facilities is one of the latent construct which is represented by the variables special facilities for disabled, sufficient number of ATMs', 24X7 security, centralised A/C and adequate number of CCTVs' in malls. Special facilities for disabled include provision of wheel chair, sufficient number of lifts for easy navigation inside the mall. Availability of ATMs' helps the hedonic shoppers to enjoy shopping in the mall. Centralised A/C in the mall pulls in the more visitors and makes them to stay for long hours especially in summer which may lead to impulse purchase. As shopping mall has many stores and attractive features there is chance of shoplifting, pilferage and larceny. Both retailers and consumers are more concerned with safety and security. Proper mall management has to ensure all these for the success of the mall. The factor loadings for all five variables are above .6. These variables form one group and it can be named as **"Enhancers"** - as retailers' gets satisfied if facilities provided in the shopping mall generate adequate footfalls and ensures the smooth running of the business.

Factor 3: Mall management support: This Construct is explained by variables such as suitable marketing strategy, appropriate tenant mix, able to contact management when needed, shopping mall information reaches on time, mall management solves problem systematically. These variables form one group and it can be named as "**Sustainers**". Managers while leasing out the property must focus on synergy of tenants to bring overall shopping experience. Appropriate tenant mix implies that tenants in the mall must be complimentary rather than competitive. Mall management should deploy the marketing strategy in order to attract and retain the retailers and to bring in more visitors traffic. Innovative marketing strategy adopted should enhance the sales level of stores and it should differentiate the mall. Information pertaining to mall should reach all the tenants on time and any problem encountered by the tenants should be rectified by mall management on time. The responsive behaviour of management team greatly influences the satisfaction of the tenants.

Table 3 : t-test

Factor	Mean	Std deviation	t value	Df	Sig value	Result
Attractive Ambience	90.5882	10.05691	33.281	67	.000	significant
Relaxing Ambience	74.4853	14.06647	14.354	67	.000	significant
Sustainers	86.7647	10.32620	29.359	67	.000	significant
Enhancers	86.0784	11.44518	25.994	67	.000	significant

The significance value is .000 which is less than 0.01 significant at 1% level. It means the null hypothesis is rejected and alternate hypothesis is accepted that is there is significance difference between the expected score and observed score. The observed score is higher than the expected score hence it can concluded that tenants are highly satisfied with the ambience, facilities offered in the mall and with the support extended by the management.

Conclusions and Implications.

In this research, the tenants of the mall revealed that they are satisfied towards the existing mall ambience, facilities provided and the support extended by the management team. In future, the satisfaction level is subject to change as the expectation of the tenant changes depending on the nature of problem encountered. So continuously monitoring the tenant satisfaction becomes inevitable. Building good tenant relation is based on the commitment on the part of property owners. A strong relation is built if the tenant's perception is positive which is possible only if the expectation of the tenants is exceeded. To exceed, the management should always be empathetic, responsive, and reliable. These attitudes bring happiness to both property owners and tenants which result in win – win situation. In competitive market, tenant satisfaction is imperative as retaining tenants is one of the strategies for the success of the mall.

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