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THE UNSUCCESSFUL SHOPPING CENTRE: RULING OUT THE PHENOMENA AND CAUSES

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Abstract:

Shopping Centre is the largest industry and the most dynamic and rapidly developing industries. The retail shopping outlet in Malaysia is growing and there are tremendous opportunities to get involved in the sector. But nowadays shopping mall in Malaysia must face competitors from other shopping Centres to run the business and earn income. They do not have control in developing the shopping Centre. This may lead to unsuccessful and failure at the shopping Centre. This research aims to investigate the unsuccessful mall in Malaysia and one shopping Centre was selected. The objectives of the study are to analyze landscape of the shopping Centre, to identify factor and causes of unsuccessful mall, and to find the rank of unsuccessful mall. This research has used quantitative method by interviewing three main respondents such as management and maintenance, 3 users, and 3 tenants to gather the perception of shopping Centre. Then we used observation method to observe the layout and design of the shopping Centre. After that we analysed all the interview and highlight the themes that emerged from the interview.

Keywords: Shopping Centre; anchor tenants; tenants mix

1.0 INTRODUCTION

According Ambavale (2013), shopping centre is defined as a complex, constructed purposely with the aim of creating shopping business. Shopping centre is the largest industry and the most dynamic and rapidly developing industries. Shopping centre in Malaysia is growing due to the development of a new town in the area. Nowadays, this industry is important to the economy in human and it depends on the level of consumers the area. He further added that the development of shopping malls in Malaysia evolved from the social and recreational activities of doing businesses. Unfortunately, the growing number of those shopping centres gives negative perception because there are too many retails development in town. As a consequence, there are a lot of unsuccessful malls that has not achieved success. In addition, there are shopping malls which are either totally abandoned, unfinished or have only a handful of retailers and patrons.

Actually, there are many factors which influence the number of unsuccessful mall which can be found in social media or newspaper. The failure maybe resulted of poor maintenance or low facilities that lead to unsuccessful mall in Malaysia. After developing a new mall, then the old mall is neglected because it did not manage to attract customer to come to the mall. Those unsuccessful malls can contribute to economy failure for the area as well as the tenants in the mall. In addition, the aspect of rental of the retail is actually very expensive based on the location or designs of the mall. Therefore, this research was carried out to determine the unsuccessful mall in Malaysia.

1.1. Problem statement

As indicated in Malay Mail Online writer by Jerry Choong, tenants complains of poor maintenance after escalator breakdown. The incident took place at Pandan Kapital Shopping centre, Ampang. This was the latest series of poor maintenance and has cause low visitors coming to the mall. Many malls have failed due to confusing layouts or dead corners where it is both difficult to rent out and for businesses to

survive. This shows the importance to entail realistic architects at the planning stage who are willing to consult practitioners about the practicality of their designs.

1.2. *Research Aim, Research Objective and Research Question*

Table 1: Summary of Research Objectives

Research Aim			
To investigate the unsuccessful mall phenomena in Malaysia.			
Research objective	Research question	Output	Tools
To analyse landscape of shopping centre in Malaysia.	What is the scenario of Malaysia mall?	<ul style="list-style-type: none"> List of shopping centre in Malaysia List of unsuccessful shopping centre 	Literature review
To identify factor and causes unsuccessful mall	What is the factor and causes unsuccessful mall?	<ul style="list-style-type: none"> Factor and causes of unsuccessful shopping centre 	Qualitative method <ul style="list-style-type: none"> Interview Observation

2.0. LITERATURE REVIEW

2.1. *Definition of shopping mall*

There are various definitions of a shopping mall. Shopping is concerned with making physical contact with malls or shopping centers in a way that customers have direct contact with some of the physical architectural features incorporated in the constructions of the malls (Ambavale, 2013). Shopping is considered as recreation actions particularly in perspective of the increment of the shopping malls where the customers usually have direct contact with the physical architectural features in the malls for the purpose of shopping .

A shopping mall is defined by ICSC (2004) as a building complex, constructed purposely with the aim of shopping business. It contains retail and other business. Sankar (2005) defined shopping mall as a shopping complex joined by walkways and other architectural features. The mall provides easy access to different and variety of shopping products through using the architectural features and also it provides a kind of excitement to the targeted buyers.

The recreation, amusement and social features of a shopping mall separated it from purchasing sections and products. In this manner, a customer might visit the mall to have some rest. Moreover, shopping mall is characterized as a building that contains both shopping items and recreational facilities. According to Ambavale (2013) shopping behaviour of a customer may influence the inclination of a customer to purchases something.

2.2. *Design criteria of shopping mall*

At least six criteria are used to describe the nature or types of shopping centre being analysed, as compiled by Vernor et al. (1993):.

2.2.1 Shopping centre size

According to Vernor et al. (1993), one criteria used to describe shopping centres is size, measured in gross leasable area. As a general guideline, neighbourhood shopping centres are the smallest, community centres are usually midsize and regional shopping centres are the largest. But there is no clear cut distinction between a large neighbourhood shopping centre and small community centre with regard to square foot area. For example, a large neighbourhood centre can exceed 100,000 square feet. This is for the lower size limit usually associated with a community centre. Similarly, a large community centre and a small regional centre may have the same square foot area.

2.2.2 Anchor tenant

Vernor et al. (1993) state the second criteria for differentiating shopping centre is the anchor tenant. The anchor tenant is sometimes referred to as the major tenant or the key tenant in the shopping centre. The anchor tenant is considered to be the traffic generator or the attracting force of a shopping centre. The anchors of a shopping generate the greatest amount of customer patronage and are usually considered to be strong enough to stand alone. The type of anchor tenant depends on the shopping centre it can be a supermarket in a neighbourhood centre or a department store in a regional shopping centre.

2.2.3 Type of product sold

Vernor et al. (1993) asserted shopping centres can be differentiated by the type of products sold by the stores in the centre. The two types of products typically mentioned are convenience, or low-order, good and shopping or high-order, goods. Convenience goods are commodities that are needed and purchased frequently. They are purchased without extensive price or style comparison. Convenience goods are typically sold at locations most accessible to the consumer. In addition, convenience goods include food, prescription and non-prescription drugs, personal care products such as shampoo, razor blades, and soaps, and household care product such as detergent, bleach, and paper towels and personal services such as laundry dry cleaners and hair salons. Shopping or high order goods are relatively expensive commodities that are purchased infrequently or when the desire or need for them arises. Before purchasing these goods consumers usually do some comparative shopping to investigate differences in the price, quality, style and design of similar products on the market. The acquisition of shopping goods requires more effort and time. Shopping good are often divided into soft line goods and hard line goods.

2.2.4 Site size

Vernor et al. (1993) asserts the fourth criterion is site size that is directly related to the GLA criteria previously. Neighbourhood shopping centre requires the smallest site that is around 3 to 10 acres, while super regional malls require the largest sites typically 60 acres or more.

2.2.5 Distance and travel time

Vernor et al. (1993) explains the fifth criterion is the distance or travel time from customer points of origin to the shopping mall. Neighbourhood shopping centres attract customers with the shortest travelling distance and travelling time. Regional shopping centre attract customers who incur more travel time

2.2.6 Customer base

Vernor et al. (1993) asserts the last criterion that is the customer base or the population within the measure distance or travel time. Neighbourhood centre requires smaller number of customer rather than regional shopping centres.

2.3. *Issue on Malaysian Shopping Centre*

With the escalating number of shopping centre in Malaysia, there are still a few of unsuccessful shopping centre due to those factors literally:

2.3.1 Layout and circulation faults

Dungarwal (2016) asserts that some other key reasons of failures is that most mall developers plan to build a mall before examining the need for the retail space or recognizing a gap in the retail space in that given catchment. Most malls are designed giving emphasis to elevation at the cost of internal planning. Research and feasibility studies are hardly done before the planning stage. They are in a hurry to sell lease the space without examining the mix of retailers in the mall.

2.3.2 Poor mall management

Dungarwal (2016) explains pre-determined positioning is not done and there are unbalanced categorization, unplanned zoning and tenants mix, unstructured space allocation. The developer ceases to be involved in the functioning of the mall. With all such faults commonly seen across unsuccessful malls, the need for inclusion of Shopping centre Specialists in the construction stage is pressing, as it not only save money for the developer in the long run, but also helps build a successful mall.

2.3.3 Operation cost

Dungarwal (2016) asserts mall owners are also facing higher operating costs air-conditioning, security, cleaning and staff, yet they are not able to increase rental rates

2.3.4 Planning

Dungarwal (2016) explains with so many malls popping up, the growing density is causing malls to struggle. Some malls are located too close to each other. Thus, this indicates proper planning is necessary.

2.3.5 Comfortable retail

Dungarwal (2016) reported there are 255 malls in the Klang Valley alone and 14 more are set to open this year despite the gloomy outlook. Thus, competition between these retail shops is likely to occur.

3.0. METHODOLOGY

This study used a combination of quantitative and qualitative approaches. For qualitative, the researcher employed interview and observation, while for the quantitative a set of questionnaire was used to get a better understanding.

3.1 Qualitative method

Qualitative method is tool used in understanding and describing human experience. The ultimate aim of qualitative research is to offer a perspective of a situation and provide well-written research reports that reflect the researcher's ability to illustrate or describe the corresponding phenomenon. One of the greatest strengths of the qualitative approach is the richness and depth of explorations and descriptions.

3.1.1 Interview

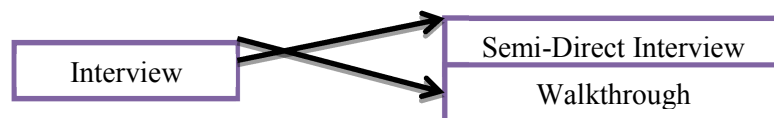


Figure 1: Research Tools

The interviews were conducted using two surveys which were semi-direct interview and walkthrough with user and management of the shopping mall as shown in Table 1. These approaches also gave researcher an opportunity to get information from the management about the shopping mall. For the semi-direct interview, the researcher can get the perception from those parties about the shopping mall.

Table 1: Interview to discuss for user, tenants and managements

Users	Their perception about how does user perceive the mall
Tenants	Their perception or problem side obstacles in this mall
Managements	Discuss about management of the Shopping Centre especially maintenance

3.1.2 Observation

The observation is a systematic data collection approach. The researcher used all of the senses to examine people in natural settings or naturally occurring situations. For the observation is about the site record and it consists as shown in Table 2:

Table 2: Observation detail

Layout plan	Shopping Centre plan and dead corner on the mall
User visit the shopping mall	Number of visitor per days

4.0 ANALYSIS AND FINDINGS

For the analysis we analyse one case study which is Jitra Mall to obtain data for interview and observation. The observation covered the management and maintenance team, user and tenants. For the user 3 respondents were selected randomly to get data during the walkthrough interview. In addition, for the tenants the researcher self-directed interview 3 respondents in order to know the factor and causes of unsuccessful mall. In addition, the management and maintenance team using self-direct interview. We chose only 3 respondents for both user and tenants because the responses given have reached the saturation limit through their interview as they talked about the same issue on the reason of unsuccessful mall. From the walkthrough interview on the user, we also made observation on the layout and design of the Jitra Mall to get more in-depth outlook of the shopping mall.

4.1. Process data analysis

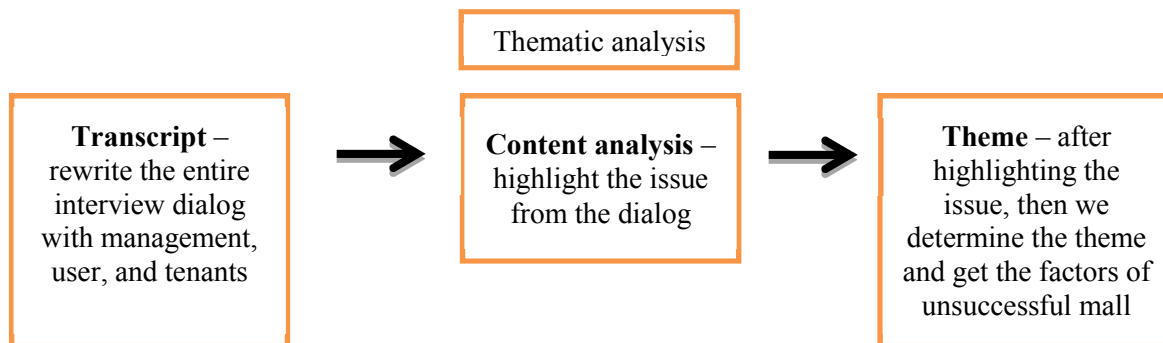


Figure 2: The process of thematic analysis findings

For the findings, themes emerged from the data of the interview on the factor of unsuccessful shopping centre as shown in Table 3. From the interview on management, user and tenants can highlight the point through the interview session.

Table 3: Analysis from the interview dialog

Question	Interview Session	Element / Factor
1) The maintenance teams have followed the maintenance plan in shopping mall 2) Budget management is enough for the maintenance in this shopping mall	Jitra Mall Management: “For maintenance budget I think not enough for maintenance on the services in this mall”. “Tenants late to pay rent of the shops in Jitra mall, then management Jitra mall face problem to maintain their services in this mall”	Maintenance budget 1. Maintenance fee 2. Lack of income from tenants to pay their rent
Many malls have failed due to confusing layouts or dead corners where it is both difficult to rent	Jitra Mall Management: “For me, planning on the location shopping mall is important nowadays but today	Planning 1. Design on retail 2. Must manage

out the business to survive	shopping mall development is mushrooming and the building did not follow the demographic study and location of the building” “Many malls are growing up nowadays but local authority must control the development of shopping mall on the certain area because the existence of the competition on the shopping mall if malls are located too close to each other.”	from the start construction mall
	Jitra Mall Management: “Jitra Mall have no good tenants mix”	No have good tenants mix
So many malls popping up, the growing density is causing malls to struggle and some malls are located too close to each other. This is faced unsuccessful mall?	User - En Halim b Haji Ghaffar work as teacher: “After aneka supermarket closed, this mall decrease on the visitor but around jitra mall have tesco and C-Mart this area. The visitor want to buy stuff on big quantity they go to tesco and jitra mall loss their visitor and tenants”	Anchor tenants 1. Closed the business
Tenants must facing higher operation costs such as air-conditioning, security cleaning and staff, this factor can give unsuccessful mall nowadays?	Tenants – Novel Shop: “The problem facing by my shop is operation cost such as air conditioner on electric bill, and wages for staff and rentals monthly because of visitor also decrease can give failure for my business”	Operation cost 1. Fee of bill electric 2. pay the rent of shop

4.2. Observation

Through observation method we elicited the layout and design of the retail in Jitra Mall. During interview walkthrough with the user, we determined the distance of travelling time, size of shopping centre, anchor tenants and customer base. It can be derived the design criteria of the shopping centre based on literature research.

Table 4: Shows observation through the layout plan and comment from occupant

Design Factor (Literature Review)	Remarks	Comment
Shopping centre size	/	Small (40 shop lot)
Anchor tenant	/	Closed business anchor tenants
Type of product sold	/	Less variety of product
Customer base	/	Lack of customer

4.3 Frequent Factor Obtained From the Interview

The findings highlight the factors that were obtained from the dialog on management, user and tenants.

Table 5: Frequency factor obtained from the interview session

Factor	Interview method
	Frequency
Maintenance budget	2
Planning	3
Anchor tenants	5
Operation cost	3
No have good tenants mix	1

5.0 CONCLUSION

In conclusion, the findings from the interview and observation show that the people several factors why the mall is unsuccessful. They gave their views about the shopping mall in Malaysia and pointed out the factors that cause unsuccessful mall. These findings also illustrate that when there are too many shopping mall being developed it can lead to failure from the tenants, user and others. Local authority must control the develop shopping mall and contractor must manage the shopping mall from the start of the project by hiring responsible team to manage shopping mall in order to give maximum income.

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