Factors Influencing Customers' Interest at Alam Sutera Mall, Indonesia

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ABSTRACT

This study aims to determine factors attracting customers to a shopping mall, especially the potential customers to AlamSutera Mall. It was done in a quantitative manner, empirically testing a conceptual model consisting of convenience, tenant variants, internal environment, leisure mix and promotions as the variables. The data were analyzed through structural equation modelling (SEM) on a sample of 105 visitors. The results showed that the convenience and leisure mix had a positive influence on frequency of visits, and the frequency of visits had a positive influence on purchase intention. However, the tenant variant, promotions and internal environment in the shopping mall did not have a positive influence on the frequency of visits. This study provides input to shopping mall managers to understand how to attract potential customers.

Keywords: Retailing, Shopping Mall, Customers' Interest

INTRODUCTION

A shopping mall is one of the retail industry formats that continues to grow and is undergoing significant changes in Indonesia. Today, the shopping mall culture has a significant role in the customers' lifestyle. It is because modern outlets are increasingly replacing traditional markets and small independent stores. As the era is getting more advanced and developed, shopping malls are not only buildings with stores or units where visitors can do shopping activities. Social factors change visitors' activities at the shopping mall, such as casual shopping or window shopping (doing exploration activities, characterized by looking for a pleasant experience that raises the interest to buy goods or services in one of the stores or units in the shopping mall). Visiting a shopping mall is one of the lifestyles of the urban community.

This study aims to determine factors attracting customers to a shopping mall, especially the potential customers to AlamSutera Mall. Reason in chosen AlamSutera Mall is because this Mall is one of famous Mall in Tangerang city. It is a 5-storey shopping center located in the AlamSutera Residential Area, Tangerang and has been officially operating since December 12, 2012. Besides this mall, there are other malls that are quite well known in the city of Tangerang, such as BSD Junction; WTC Matahari Mall; ITC BSD; City Mall Terrace; Plaza Bintaro Jaya; Lottemart Wholesale Ciputat; Ciputat Mega Mall; Tangerang City; Summarecon Mall Serpong; Supermall Karawaci, so AlamSutera mall must maintain its existence by finding out what factors attract visitors to come and even make transactions. This study was carried out in August-December 2019 before the Covid-19 pandemic in Indonesia so that the AlamSutera mall can still be visited in free time without health protocols.

This study is a replication study that refers to a study by Calvo-Porral and Levy-Mangin (2018). It aims to understand whether the research model by Calvo-Porral and Levy-Mangin (2018) in the service industry also applies in a service company in Tangerang. This replication study used the same research model and variables to examine whether the variables from previous studies could be used for problems in shopping malls in Indonesia. The contribution of this study provides input to shopping mall managers to understand how to attract potential customers. There are several research questions: does convenience positively influences the frequency of visits?; does tenant variants positively influence the frequency of visits?; does internal environment positively influences the frequency of visits?; does leisure mix positively influences the frequency of visits?; does promotions positively influence the frequency of visits?; does promotions positively influence purchase intention?; does the frequency of visits positively influences purchase intention?

THEORETICAL REVIEW

Relationship between convenience and frequency of visits

Shopping malls are a destination where consumers can buy almost all their needs. A perception stating that the consumers want convenience in shopping at the mall has a strong positive influence on the level of satisfaction at the mall and the frequency of visits. As a result, the malls with strategic locations and commercial incentives such as longer opening hours or larger parking facilities will attract the customers to visit the mall and affect their willingness to continue shopping at the mall. Khare (2011) explained that the location and operating hours of the mall could influence the consumer decisions in choosing a mall to visit. The availability of a complete selection of products can save the costs and make it easier for them to shopping. Farrag, El Sayed, and Belk (2010) conducted a study in Egyptian malls and showed that the shopping mall visitors would visit the shopping mall because they considered it a safe place because of the security of the shopping mall. Based on the explanation above, the first hypothesis that can be proposed is as follows:

H_1: Convenience positively influences frequency of visits.

Relationship between tenant variants and frequency of visits

Variants in mall tenants will affect the frequency of visits to the mall (Pan and Zinkhan, 2006). It is essential for shopping malls to design and manage the placement of existing tenants in the shopping mall. Planned placement of tenants is vital for the visitors because it can save them time and make it easier for them to find the location of stores/tenants when buying products (Ojouk, 2010). According to Abratt, Fourie, and Pitt (2005), there were changes in customer demand due to the emergence of new tenants/retailers. Therefore, the shopping mall management must keep updated on the consumer needs by having a wide variety of tenants to maximize the shopping malls. The more various the tenants, the higher the visitors' intention to visit the shopping malls. Thus, having various tenants can be an effort to attract the visitors' attention. Therefore, the second hypothesis that can be proposed is as follows:

H_2: Tenant variants positively influence the frequency of visits.

Relationship between internal environment and frequency of visits

Nowadays, when consumers go to shopping malls, they intend to meet their various daily needs. However, their visits to the shopping malls are not limited to only purchasing goods (Mejia and Eppli, 1999). Research by Tandon, Gupta, and Tripathi (2016) explained that influences from tenant management, facility management, atmosphere, and potential performances/entertainment could influence the consumers to visit the shopping malls. The explanation above refers to the atmosphere created in a shopping mall to please visitors. The atmosphere of the mall's internal environment contributes to make traffic of the customers with the mall and the frequency of visits. As a result, aspects related to relevant aesthetics, image and appearance shape the customers' interest. Therefore, the third hypothesis that can be proposed is as follows:

H_3: Internal environment positively influences frequency of visits.

Relationship between leisure mix and frequency of visits

Findings by Kim, Lee, and Kim (2011) revealed that the shopping mall visitors did not only look for certain products, but they also considered visits to shopping malls as entertainment activities providing pleasure included in the shopping experience. Smith and Burns (1996) explained that the atmosphere in a shopping mall was critical as it played a role as an environmental signal used by the consumers to imply the quality of a shopping mall. Furthermore, it could also be a stimulus for excitement for shopping mall visitors (Wakefield and Baker, 1998). Therefore, the fourth hypothesis that can be proposed is as follows:

H_4: Leisure mix positively influences the frequency of visits.

Relationship between promotions and frequency of visits

Promotions can be a tool to inform about goods and services, popular stores/businesses and increase customer loyalty. Sales are part of promotions and advertisements owned by the shopping malls. The promotions and advertisements are helpful to convey information and at the same time attracting the attention of large numbers of people. Through promotions and advertising, the shopping malls can establish their reputation and increase visitors (LeHew and Fairhurst, 2000). The study explained that not all price-based promotional activities could attract customers, while certain events held in malls might increase the frequency of visits. Thus, many promotional activities can be highly beneficial. Therefore, the fifth hypothesis that can be proposed is as follows:

H_5: Promotions positively influence the frequency of visits.

Relationship between promotions and purchase intention

Promotion can be a means for retailers to invite consumers to come and buy or try products sold. During the sales promotion period, usually, the tenants decorate their physical stores with sales inscriptions ranging from 10-70 per cent off. Changes in the mall's internal environment will stimulate and influence consumer buying behavior. According to Percy, Rossiter, and Elliott (2001), customers were more interested in promotional prices. Nicholls et al. (2002) revealed that several buyers rushed to queue on the first day for benefits as the first buyers who could have the best product available, and some buyers chose to visit the sales later. Therefore, the sixth hypothesis that can be proposed is as follows:

H_6: Promotions positively influences purchase intention.

Relationship between frequency of visits and purchase intention

The frequency of consumer visits to shopping malls is one of the crucial characteristics of consumer behaviour and a significant discussion in retailing research (Roy, 1994). Furthermore, Roy (1994) examined buyers who frequently visited the shopping malls and identified that the visitors who frequently came to the shopping malls were individuals in the age group of 40-60 years old with a relatively high income, were not too sensitive to offers, and considered shopping activities as a pleasant recreational experience. Gefen, Karahanna, and Straub (2003) found that familiarity with online retailers and their websites reduced uncertainty while increasing purchase intentions. Therefore, the seventh hypothesis that can be proposed is as follows:

H_7: Frequency of visits positively influences purchase intention.

Based on the description of the hypotheses, the following is the research model proposed:
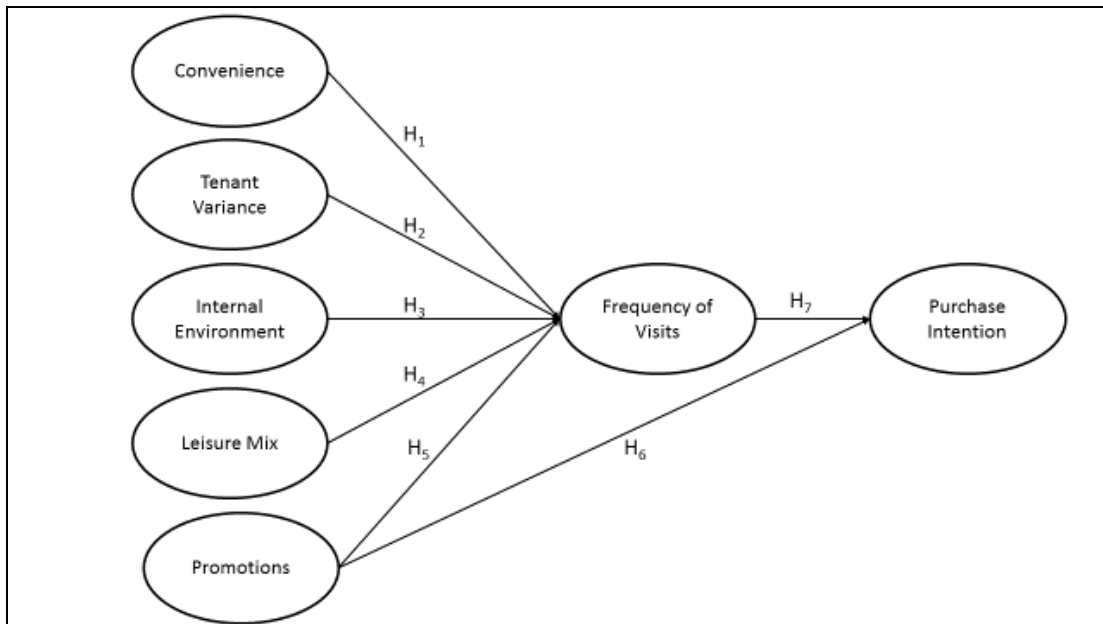

Figure 1. Research Model

Source: Calvo-Porral and Levy-Mangin (2018)

METHODOLOGY

All measurements were adjusted based on previous researches using a five-point Likert scale. First, researchers included three indicators proposed by Bloch, Ridgway, and Dawson (1994) to measure convenience in shopping malls. Second, three indicator items proposed by Bellenger et al. (1977) were used to measure shopping mall tenant variants. Third, to measure the internal environment, three indicators previously used by Wakefield and Baker (1998) and with the same source, two indicators for frequency of visits and two indicators for purchase intention were taken. Furthermore, the internal environment also referred to the attractiveness of facilities and the availability of a comfortable area. Fourth, to assess leisure mix, three indicators proposed by Bloch *et al.* (1994) were used.

Population, sample and data analysis

The target population of this research was all visitors to AlamSutera Mall in various age groups who visited AlamSutera Mall within three months. The sampling technique used was convenience sampling. This study used statistical analysis of Partial Least Square-Structural Equation Modeling (SEM). It was suggested to use a total of 100-400 samples to use SEM (Hair et al., 2010). The data was processed using SmartPLS 3.0 program.

RESEARCH RESULTS

Outer model

Table 1. Results of Validity and Reliability Test

Variable	Indicators	Outer Loading	CR	AVE
Convenience	CONV1: strategic location	0.746	0.852	0.591
	CONV2: easy access	0.799		
	CONV3: large parking lot	0.756		
	CONV4: good customer service	0.774		
Tenant Variant	TEN1: retailer variants	0.903	0.901	0.754
	TEN2: franchise variants	0.937		
	TEN3: related services (banks, electronic stores, etc.)	0.754		
Internal Environment	ENV1: interesting facilities	0.806	0.885	0.659
	ENV2: interesting internal environment	0.838		
	ENV3: comfortable rest area	0.836		
	ENV4: clear instructions in the sales area	0.764		
Leisure Mix	LEI1: product variants	0.877	0.923	0.801
	LEI2: restaurant variants	0.954		
	LEI3: interesting café	0.851		
Promotions	COM1: promotional activities	0.905	0.915	0.730
	COM2: sales promotion	0.834		
	COM3: advertising media	0.842		
	COM4: inviting influencers	0.835		
Frequency of Visits	FRE1: regularly visit	0.861	0.920	0.794
	FRE2: having the intention to visit	0.915		
	FRE3: will revisit	0.896		
Purchase Intention	PUR1: shopping intention	0.933	0.937	0.881
	PUR2: having the intention to shopping	0.945		

The outer model was a measurement that shows how the manifest variable represented the latent variable to be measured (Ghozali and Latan, 2015). Validity and reliability tests were performed. The validity test consisted of measurements of loading factors, average variance extraction (AVE), and discriminant analysis. The requirements that must be met to pass the validity test were loading factor values of > 0.7 and AVE values of > 0.5 (Hair *et al.,* 2017). Furthermore, the requirements for discriminant analysis referred to the Fornell-Larcker criteria, where the fair value of AVE should be higher than the correlation between latent variables (Hair *et al.,* 2017). The results of the validity and reliability test are shown in the following Table 1.

Table 1 shows that the composite reliability has a value greater than 0.7. In addition, the average variance extracted (AVE) has a value which ranges from 0.591 to 0.881. The discriminant validity was checked by comparing the AVE value with the correlation value between variables. In addition, the square root values of AVE are all greater than the correlation values between variables. Thus, it can be concluded that the discriminant validity test has met the Fornell-Larcker criteria.

Table 2. Fornell-LackerCriterium

	Promotions	Convenience	Frequency of Visits	Internal Environment	Leisure Mix	Purchase Intention	Tenant Variant
Promotions	**0.854**						
Convenience	0.499	**0.769**					
Frequency of Visits	0.456	0.671	**0.891**				
Internal Environment	0.672	0.707	0.586	**0.812**			
Leisure Mix	0.844	0.501	0.484	0.605	**0.895**		
Purchase Intention	0.479	0.688	0.787	0.600	0.518	**0.939**	
Tenant Variant	0.793	0.567	0.406	0.598	0.834	0.528	**0.868**

Structural Model

The structural model can be indicated from the calculation of R-Squares. According to Ghozali and Latan (2015), changes of value in R-Squares explained the effect of the independent variable on the dependent variable that had a substantive influence. Based on the results of data analysis, the R-Squares value of the frequency of visits variable is 51.5%, and the purchase intention variable is 63.7%. Thus, it can be concluded that the independent variable influences the frequency of visits variable by 51.5% and by 63.7% for the purchase intention variable. The higher the value of R-square, the greater the ability of independent variables to explain the dependent variable.

Hypothesis Testing

The significance of the effect of hypothesis testing could be done by looking at the value of the parameter coefficient and significance (t-stat). This study found that the minimal value of the t-stat is 1.65 with a one-tailed test. Below, Table 3. provides the results of hypothesis testing.

Table 3. Results of Hypothesis Testing

Hypothesis	Standardized Path Coefficient	t-value	Conclusion
H$_1$: Convenience positively influences the frequency of visits	0.551	4.799	Supported
H$_2$: Tenant variants positively influence the frequency of visits	-0.318	-2.284	Not Supported
H$_3$: Internal environment positively influences the frequency of visits	0.151	1.275	Not Supported
H$_4$: Leisure mix positively influences the frequency of visits	0.354	1.963	Supported
H$_5$: Promotions positively influence the frequency of visits	0.032	0.187	Not Supported
H$_6$: Promotions positively influences purchase intention	0.152	2.273	Supported
H$_7$: Frequency of visits positively influences purchase intention	0.717	12.473	Supported

DISCUSSION

The first hypothesis with statement convenience positively influences the frequency of visits is supported. This result is supported by previous research by Khare (2011) and Farrag, El Sayed, and Belk (2010). Path coefficient has shown positive direction 0.551, and p-value 4.799> 1.65 make this hypothesis accepted. Meaning customers feel more convenience with the atmosphere in the AlamSutera mall, which makes it more and more enjoyable to visit. It can be explained that the convenience of visitors can be due to physical factors such as the cleanliness of the mall, which is always maintained, the security of the mall. In addition, this mall is thematic, so many photoshoot places can be used as exciting venues to capture the moment by customers.

The second hypothesis with statement tenant variants positively influence the frequency of visits is not supported. Path coefficient has shown negative direction -0.318, and p-value -2.284 < 1.65 make this hypothesis is not accepted. This result is not supported previous research by Abratt, Fourie, and Pitt (2005), Pan and Zinkhan (2006), Ojouk (2010). Meaning, respondent feel that the variety of tenants is not enough to maximize the shopping malls. The more various the tenants, the higher the visitors' intention to visit the shopping malls. Thus, AlamSutera Mall needs to have various tenants that can be an effort to attract the visitors' attention. Especially now that Living World, close to AlamSutera, has agreed to a contract with PT Spotgue Application Pratama (Spotgue) to become the world's first 4.0 mall. The Spotgue application, Pacific Place Mall, Mall

ArthaGading, and Living World AlamSutera will present a new way of experiencing shopping malls using advanced digital technology that allows visitors, tenants, and malls to interact with each other produce a unique experience called the Mall. 4.0 Experience(www.industry.co.id, 2021).

The third hypothesis with internal statement environment positively influences the frequency of visits is not supported. Although the path coefficient showed a positive direction of 0.151, p value1.275 < 1.65 makes this hypothesis not accepted. This result is not supported previous research by Mejia and Eppli (1999) and Tandon, Gupta, and Tripathi (2016). It can be explained that the internal environment of the mall is not only part of the visitor's consideration. Although the internal environment of the Alam Sutera mall has been well managed, according to the profile of the respondents, the majority age is 17-25 years belonging to Generation Z, with students working as students, they need exciting facilities or comfortable rest areas but also events that can invite their interest.

The fourth hypothesis with the statement that leisure mix positively influences the frequency of visits is supported. Value of path coefficient shown positive direction 0.354, and p-value 1.963 > 1.65 make this hypothesis is accepted. This result is supported by previous research by Smith and Burns (1996), Wakefield and Baker (1998), Kim, Lee, and Kim (2011). So, according to respondents, the atmosphere in Alam Sutera mall is a positive signal used by the consumers to imply the quality of a shopping mall. Furthermore, it could also be a stimulus for excitement for shopping mall visitors. It can be proven that most respondents visited Alam Sutera mall more than five times for three months.

The fifth hypothesis with statement promotions positively influence the frequency of visits is not supported. Although the path coefficient has shown a positive direction of 0.032, p-value 0.187 < 1.65 makes this hypothesis not accepted. This result is not supported previous research by LeHew and Fairhurst (2000). In this study, promotions and advertising of mall Alam Sutera are not significant can establish their reputation and increase the number of visitors.

The sixth hypothesis with the statement Promotions positively influences purchase intention is supported. Because the path coefficient has shown a positive direction of 0.152, and p-value 2.273 >1.65 makes this hypothesis accepted. This result is supported by previous research by Percy, Rossiter, and Elliott (2001), Nicholls et al. (2002). It can be explained that customers were more interested in promotional prices because the majority of respondents still live with their families and are students with an average expenditure of 2-3 million rupiah; the promotional factor from existing tenants will provide a purchase reinforcement.

The seventh hypothesis with the statement Promotions positively influences purchase intention is supported. With path coefficient shown positive direction 0.717, and p-value 12.473 > 1.65, this hypothesis is accepted. This study result is supported previous research by Roy (1994). In this study, the majority of respondents visited AlamSutera mall more than five times. The more visits, the more transaction activities carried out because this mall provides tenants for shopping and restaurants.

CONCLUSION

According to what has been explained earlier and the results of this study, it could be concluded that the convenience and leisure mix positively affect the frequency of visits in Alam Sutra Mall, while the tenant variants and internal environment do not. The results of this study are expected to be useful as one of the guidelines and suggestions for AlamSutera Mall management in the future.

The structural model of this study suggests the AlamSutera Mall management pay attention to the ease and comfort of this mall because the convenience and comfort of the shopping mall has a positive influence to increase the frequency of visits and add visitor traffic to the mall. In line with the increasing frequency of visits due to the ease and convenience of shopping malls, the increased frequency of visits will positively affect the purchase intentions of visitors. This might result in a higher possibility of purchases made by shopping mall visitors.

In addition, the Alam Sutera Mall management should pay attention to the communication/promotions activities, which apparently could not increase the purchase intention of the shopping mall visitors and simultaneously could not increase the sales at AlamSutera Mall. The subjects who participated in this study were visitors of Alam Sutera Mall who visited the shopping mall in the last three months (September 2018 - November 2018).

Further, it was found that the convenience of Alam Sutera Mall had shown a positive result. However, the management of Alam Sutera Mall still needs to pay attention to the ease of access for every private and public vehicle that come. Providing new information related to promotional activities must also be conveyed clearly and ultimately to the mall visitors.

Limitations and Suggestions for Future Researches

During this article writing process, there were several limitations faced. First, it was related to the sample size and time constraints in collecting the data, which could obtain 105 respondents. Therefore, future research suggests using a larger number of samples to explain the relationships between variables to understand the effects between variables more clearly and significantly.

Second, this study used the convenience sampling method where it is a non-probability sampling technique based on the willingness and convenience of the respondents, which may lead to a bias in the decision making. Therefore, future research suggests using the probability sampling technique to obtain more accurate results and avoid time, costs, and energy problems.

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