

# Creating Value for Mall Customer: Analyzing Mall Strategy to Attract Visitation during Pandemic

Sondakh Oliandes and M. Gunawan Hananiel

## ABSTRACT

The Covid-19 pandemic has had a major impact on the world economy. One of those affected is the shopping center or mall sector. The number of visitors has fallen drastically, sales are getting minimal, but operating costs are still high, making shopping centers one of the sectors most affected by Covid-19. Along with increasing public awareness in implementing health protocols and the development of the number of vaccinations, as well as improving conditions during the pandemic, the Indonesian government has begun to give concessions to shopping centers or malls. However, this relaxation policy did not directly increase the level of visits. This is due to the shift in people's behavior from the initial tendency to transact offline to online transactions. Therefore, shopping center must identify factors that can encourage people's desire to visit shopping centers again after the relaxation policy is enforced. Consumer motivations are often categorized in terms of shopping typologies. In its most basic form, consumer typologies are divided into rational (utilitarian) and hedonistic categories. This research seeking a typology of shoppers based on the shopping motivation, experiences during the visit, and significant variables that help create shopping delight. These insights could in turn be valuable in different strategic decisions such as differentiation, penetration, or market development. The research result show that out of four variables, only entertainment and place attachment have a significant effect on mall visitation, while selection and exploration have no significant effect. The interesting thing was found in the effect of Health Protocol, when standing as an independent variable, health protocol had a positive and significant effect, but when standing as a moderator variable, the Health Protocol variable had a negative effect, although not significant.

**Keywords:** Consumer Behavior, Health Protocol, Hedonic, Mall, Shopping Typology, Utilitarian.

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## I. INTRODUCTION

The Covid-19 pandemic has had a major impact on the world economy. One of those affected is the shopping center or mall sector. The number of visitors has fallen drastically, sales are getting minimal, but operating costs are still high, making shopping centers one of the sectors most affected by Covid-19. This is exacerbated by the gradual shift in the business model from offline transactions to online transactions. With the shift in the business sector, especially to online business during the social restriction period, it is natural for online transactions to increase drastically, while offline transactions have decreased drastically, even though this transaction model existed before the pandemic. This makes shopping center businesspeople must work hard to maintain their existence.

Along with increasing public awareness in implementing health protocols and the development of the number of vaccinations, as well as improving conditions during the pandemic, the Indonesian government has begun to give concessions to shopping centers or malls. The operational relaxation policy is expected to be able to prevent the business

from deteriorating in the business amid the pandemic situation. Shopping centers can operate again, by implementing health protocols according to policy criteria set by the government.

The relaxation policy launched by the government was welcomed by the mall management. This relaxation is expected to boost public visits to shopping centers after a long slump. However, this relaxation policy did not directly increase the level of visits. This is due to the shift in people's behavior from the initial tendency to transact offline to online transactions. Therefore, shopping center must identify factors that can encourage people's desire to visit shopping centers again after the relaxation policy is enforced.

Lehew *et al.* (2002) stated that Mall Loyalty is a multidimensional notion, which includes behavioral loyalty (which focuses on repurchase and patronage behavior) and attitudinal loyalty (which focuses on evaluating malls based on expectations of mall attributes) and is a customer preference for shopping at malls. mall that visitors choose. Several studies have shown that Hedonic Shopping Value has a stronger influence than Utilitarian Shopping Value in shaping customer behavior. Hedonic Shopping Value is seen

as stronger because it can make customers perceive the mall as a place where visitors can release fatigue, negative feelings, create emotional bonds and enjoy the shopping process (Rintamaki *et al.*, 2006).

Bloch *et al.* (1994) showed that mall customers with strong hedonic motives will feel a higher sense of pleasure and an increase in feelings that create confidence in the customer that visitors will share with fellow visitors (Hirschman & Holbrook, 1982; Wakefield & Baker, 1998). So Hedonic Shopping Value will give customers a good evaluation of the mall. This study will focus on three dimensions of the Hedonic Shopping Value of the mall, namely: Entertainment, Exploration, and Place Attachment; and one dimension of Utilitarian Value, namely: Selection.

## II. LITERATURE REVIEW

### A. Selection

In shopping behavior in malls, Selection talks about the various brands and variations of high-quality goods available in a shopping center for customers to choose from (Khare & Rakesh, 2011). Selection also talks about popular shops in the mall which can be a favorite destination for the mall (Brown 1993) including attractive anchor tenants (Ibrahim & Galven, 2007). Furthermore, selection can also mean the number of brands in the mall, the more well-known brands in the mall, the wider the selection offered by the mall (Howard, 1997). So, it can be concluded that selection is a choice that customers have from the ease of choosing products from the desired store, the desired price, to the convenience of choice in transactions and shopping experiences (Messinger & Narasimhan, 1997).

### B. Entertainment

Entertainment can be defined as a series of activities that make people happy in their free time, helping visitors relax and forget for a moment the burden they are carrying (Binatli & Sunal, 2014). Entertainment is a type of activity that is carried out in one's spare time and is a preferred type of activity (Ozturk, 2014), and thus serves to provide entertainment and pleasure (Ozdemir, 2014). Entertainment can also be defined as a series of activities that a person participates in to use their free time (Kocabay, 2014). So, it can be concluded that entertainment is an activity that allows a person to fill his spare time while having fun (Ghosn, 2014).

### C. Exploration

In the mall concept, Westbrook and Black (1985) stated that exploration occurs when customers encounter new and interesting things and feel the joy of exploring the mall when shopping. Exploration is created when customers appreciate the excitement of the product or information search process, the feeling of adventure through the joy of exploring and the sensual excitement of the shopping process (Khare, 2011). Lui (1997) stated that Exploration can also be created when customers lose track of time because recreational facilities provide sensory stimulation that attracts visitors to the environment in the mall. Exploration is usually an experience offered by malls to attract consumers who seek entertainment and pleasure in exploring malls (Michon *et al.*, 2008). So, it can be concluded that Exploration is an attribute that can be

provided by a mall in order to give a feeling of pleasure to its customers in the behavior of exploring the shops and facilities contained in the mall (Khare, 2011).

### D. Place Attachment

Place Attachment is a feeling of attachment that visitors have that comes from the mall setting, good customer service (Kyle *et al.*, 2004; Alexandris *et al.*, 2006; To *et al.*, 2007) which lead to positive and comfortable behavior for shopping at the mall. Place Attachment is a relationship that refers to the emotional and symbolic relationship of visitors to the shopping center (William & Vaske, 2003). Place Attachment is a two-dimensional concept consisting of location identity and location dependence, which makes the development of a sense of attachment to a particular place/location, thus making a person develop a bonded relationship that gives meaning to them (Low & Altman, 1992). So, it can be concluded that Place Attachment is a feeling or symbolic relationship for a person to a place that is considered a good location to carry out an activity (Moore & Graefe, 1994).

### E. Visitation Intention

The definition of behavioral intention is the visitor's assessment of the suitability for revisiting the same destination or willingness to recommend a destination to others (Chen & Tsai, 2007). Previous theoretical studies have defined intentional behavior as individuals who anticipate and plan future behavior. The behavioral intention has been recommended to be a central factor that is strongly associated with the observed behavior (Swan & Trawick, 1981).

### F. Research Framework

Consumer motivations are often categorized in terms of shopping typologies (Wagner, 2007). In its most basic form, consumer types are divided into rational (utilitarian) and hedonistic categories (Bellenger and Korgaonkar, 1980), thereby it provides a theoretical basis for understanding needs underlying social, empirical, and practical of the buyer (Wagner, 2007). In this research, the utilitarian value is represented by Selection. Consumer types for hedonistic represent by Entertainment, Exploration, and Place Attachment.

Shopping can be categorized according to factors that influence customer behavior. Therefore, they can be described from a product, destination, or other perspective. A group of customers may try to track a particular product or brand (Park *et al.*, 2009). Another group is famous shopping areas, thematic shopping, famous shopping malls, or else. The destination itself is an attraction (Timothy, 2005). Thus, the research hypotheses are:

- H1: Selection affects visitors' decisions to visit the Mall during the Pandemic situation.
- H2: Entertainment influences the decision of visitors to visit the Mall during the Pandemic situation.
- H3: Exploration affects visitors' decisions to visit the Mall during the Pandemic situation.
- H4: Place Attachment affects visitors' decisions to visit the Mall during the Pandemic situation.
- H5: The application of strict health protocols can strengthen the decision to visit the Mall during the Pandemic situation.

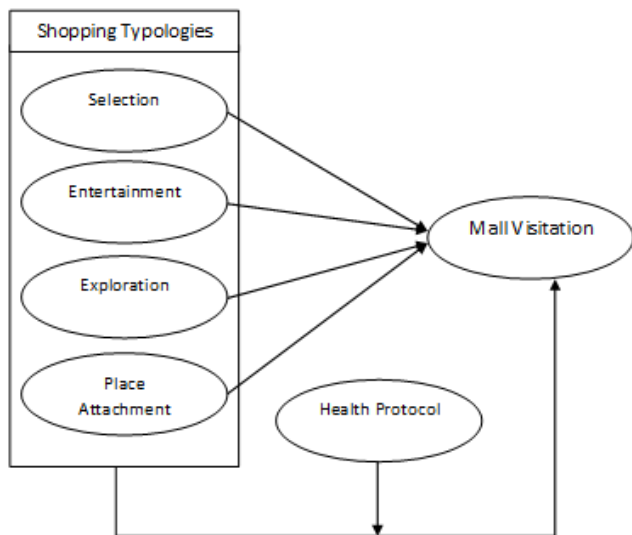


Fig. 1. Research Framework.

III. METHODOLOGY

Based on the research background and literature review, this research is causal research, which aims to analyze the effect of customer value on behavioral intentions of mall visitors moderated by the application of health protocols. Data was collected by distributing questionnaires using a five-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree. Questionnaires were distributed in Surabaya, the 2nd largest city in Indonesia during the period of implementing PPKM Level 2. The analytical techniques used to analyze the data were Multiple Linear Regression and Moderation Regression Analysis.

In accordance with the purpose of this study, the population of this study were mall visitors. In this study, not all members of the population were sampled, but some were taken to represent the entire population. This is because the conclusions of the sample research are believed to be able to provide an overview of the population and the results can be generalized to the population (Riduwan, 2007). This study uses a non-probability sampling method with a purposive sampling technique, where this technique requires a sampling method based on certain criteria. The sampling criteria used in this study are:

1. 17 – 65 years old;
2. Domiciled in Surabaya;
3. Mall visitors during the PPKM level 2 period in Surabaya.

IV. RESULT

The questionnaires were distributed among 205 mall visitors in Surabaya-Indonesia. Based on table 1, the value of R is 0.742. This explains that there is a high correlation between Selection, Entertainment, Exploration, and Place Attachment toward Mall Visitation. The value of Adj R2 shows that 54.2% of Mall Visitation can be explained through Selection, Entertainment, Exploration, and Place Attachment while the remaining 45.6% can be explained through other variables, which are not included in this study. The results of the F test show a significance value of 0.000, this means that the research model that aims to test the effect of Selection,

Entertainment, Exploration, and Place Attachment toward Mall Visitation is acceptable. Based on Table I, the following equation can be generated:

$$Y = b1.X1 + b2.X2 + b3.X3 + b4.X4$$

$$Y = 0.104 X1 + 0.248 X2 - 0.006 X3 + 0.421 X4$$

where:

- Y = Mall Visitation;
- X1 = Selection;
- X2 = Entertainment;
- X3 = Exploration;
- X4 = Place Attachment;
- b1,2,3,4 = coefficients.

TABLE I: MULTIPLE LINEAR REGRESSION

Model/Variable	R	R2/Adj R2	Fsig	Beta	tsig	Hypothesis
Selection, Entertainment, Exploration, and Place Attachment * Mall Visitation	0.74	0.542	0.000			
Selection				0.104	0.3	rejected
Entertainment				0.248	0.04	accepted
Exploration				-0.01	0.96	rejected
Place Attachment				0.421	0.01	accepted

The t-test was used to determine whether there was a significant effect between the independent variables partially on the dependent variable. The results of the t-test with a significance value below 0.05 indicate that the hypothesis can be accepted, whereas if the value is above 0.05 it indicates that the hypothesis is rejected. From the results of the t-test carried out, it can be concluded:

1. H1: Selection affects visitors' decisions to visit the Mall during the Pandemic situation, is rejected.
2. H2: Entertainment influences the decision of visitors to visit the Mall during the Pandemic situation, is accepted.
3. H3: Exploration affects visitors' decisions to visit the Mall during the Pandemic situation, is rejected.
4. H4: Place Attachment affects visitors' decisions to visit the Mall during the Pandemic situation, is accepted.

Based on the results of Multiple Linear Regression, then process continued by conducting Moderated Regression Analysis.

Based on the results of Moderated Regression Analysis, it shows that the value of Shopping Typologies and Health Protocol variables each obtained a significance value of 0.137 and 0.310, which means that they have insignificant effect on Mall Visitation. While the coefficient value of the Moderator Variable (Shopping Typologies × Health Protocol) is 0.812. This means that Health Protocol is insignificantly act as a moderator of the relationship between Shopping Typologies and Mall Visitation. The coefficient value of -0.167 (negative) means that Service Charge will insignificantly weaken the relationship between Shopping Typologies and Mall Visitation.”

TABLE II: MODERATED REGRESSION ANALYSIS

		Beta	t	Sig.
1	(Constant)		12.869	0.000
	Shopping Typologies	0.736	15.500	0.000
2	(Constant)		11.670	0.000
	Shopping Typologies	0.511	6.103	0.000
	Health Protocol	0.271	3.237	0.001
	(Constant)		1.390	0.166
3	Shopping Typologies	0.605	1.495	0.137
	Health Protocol	0.350	1.018	0.310
	Moderator	-0.167	-0.238	0.812

Dependent Variable: Mall Visitation.

## V. DISCUSSION

Based on the results of multiple regression analysis, it is known that out of four shopping typologies variables, namely selection, entertainment, exploration, and place attachment, only entertainment and place attachment have a significant effect on mall visitation, while selection and exploration have no significant effect. This is because, during the pandemic, most people do their activities inside the house. This causes boredom, so people yearn for entertainment activities outside the house, such as watching movies or other entertainment centers located in malls. The existence of a special preference for a shopping center as a place of entertainment also encourages people to visit the mall, this is also the reason behind significant effect of place attachment on mall visitation.

Selection does not have a significant effect because in the current digital era, online shopping has become easier and provides a variety of products, both in terms of quality, price, brand, shape, variety, and so on. This causes the selection factor is no longer a variable that has a significant effect on people's interest in visiting the mall. Although the exploration factor has no significant effect, it has a negative influence, this is because, in the midst of a pandemic, most people try to minimize it when they are in public places, so that exploration activities are seen as activities that are avoided as much as possible.

The interesting thing was found in the effect of Health Protocol, when standing as an independent variable, health protocol had a positive and significant effect, but when standing as a moderator variable, the Health Protocol variable had a negative effect, although not significant. This is because according to the community, the echo of the implementation of the health protocol in the mall actually has the opportunity to create a crowd because people think that it is safe to visit the mall, this is why the echo of the implementation of health protocol will weaken the relationship between typologies and intention to visit the mall, although not significantly.

## VI. CONCLUSION

The primary objective of this paper was to study the impact of health protocol towards the relationship of shopping typology on mall visitation. The research result show that out of four variables, only entertainment and place attachment have a significant effect on mall visitation, while selection and exploration have no significant effect. The interesting thing was found in the effect of Health Protocol, when standing as an independent variable, health protocol had a positive and significant effect, but when standing as a moderator variable, the Health Protocol variable had a

negative effect, although not significant.

## LIMITATION AND FUTURE RESEARCH

Time period was short so limited but reasonable sample was drawn; results cannot be generalized. Researchers and scholars may conduct research under different timeframe and demographic conditions.

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