THE FACTORS THAT INFLUENCING CONSUMER PREFERENCE TO VISIT

SHOPPING MALL IN MELAKA

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'I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technology Management (Technology Innovation)

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DECLARATION OF ORIGINAL WORK

"I declared that this project is the result of my own research except as cited in the references. This research project has not been any degree and is not concurrently submitted in candidature of any other degree."

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DEDICATION

This research paper is special dedicated to my parents, who has been my main source of inspiration and encouragement during my studies. Thank you for giving me the opportunity and a new experience in my life to complete this research. Also, thanks to my friends that help and encouragement towards me when conducting this research paper. Not forgetting, to those who indirectly contributed to this research, your kindness means a lot to me. Thank you very much.

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ABSTRACT

Developing a research about the factor that influences the preference of consumer is necessary for today's marketplace, since finding the preference of consumer becomes more and more challenging to the marketers. By knowing the preference of consumer, it definitely will enhance the sales of a business. In this research, researcher will find out the factor that influencing consumer preference to visit the shopping mall in Melaka through the theory of consumer choice. Factors that will investigate in this research include homogeneous divisible goods, land, effect of price change, income effect factor and convenience. A series of questionnaire was conducted to collect respondents' answers, the data collected were analysed qualitative method. The results shows that it is a significant relationship between the independent variables which are homogeneous divisible goods, land, effect of price change, income effect and convenience towards the dependent variable which is consumer preference to visit shopping mall in Melaka. The researcher also suggest to future researcher that they can explored in more deep regarding the shopping mall attraction in more comprehensive area, such as whole Malaysia or whole world.

Key Words: Consumer Preference, Melaka Shopping Mall

ABSTRAK

Membangunkan sebuah penyelidikan tentang faktor yang paling mempengaruhi keutamaan pengguna adalah diperlukan bagi pasaran hari ini, ini disebabkan mencari keutamaan pengguna telah menjadi lebih dan lebih mencabar kepada pemasar. Dengan mengetahui keutamaan pengguna, pasti akan meningkatkan jualan perniagaan. Dalam kajian ini, penyelidik akan mengetahui faktor yang mempengaruhi keutamaan pengguna untuk melawat ke pusat membeli-belah di Melaka melalui teori pilihan pengguna. Faktor-faktor yang akan dikaji dalam kajian ini termasuk barangan dibahagi homogen, tanah, kesan daripada perubahan harga, kesan pendapatan dan kemudahan. Soal selidik ini dijalankan untuk mengumpul jawapan daripada responden, data yang dikumpul akan dianalisis melalui cara kualitatif. Dapatan kajian menunjukkan bahawa terdapat hubungan yang signifikan antara pemboleh ubah bebas iaitu barangan dibahagi homogen, tanah, kesan daripada perubahan harga, kesan pendapatan dan kemudahan terhadap pembolehubah bergantung iaitu keinginan pengguna untuk melawat pusat membeli-belah di Melaka. Penyelidik juga mencadangkan kepada penyelidik yang akan datang bahawa mereka boleh diterokaikan dengan lebih mendalam mengenai ketarikan pusat membeli-belah di kawasan yang lebih menyeluruh, seperti seluruh Malaysia atau seluruh dunia.

Kata Kunci: Keutamaan Pengguna, Pusat Membeli-belah

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ABBREVIATION	TITLE	PAGES
UTeM	Universiti Teknikal Malaysia Melaka	
SPSS	Statistical Package for Social	29
ANOVA	Sciences Analysis of Variance	50

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CHAPTER 1

INTRODUCTION

This chapter presented the intro of the research and what is the problem happened. From there research questions and research objectives are form. Beside, this chapter also will discuss about the scope, limitation, contribution and significant of the study.

1.1 Background of Study

In the 1950s, the concept of "shopping mall" was begun in the USA. Shopping mall also calls as shopping precinct or shopping centre is a large retail complex that combining a variety of stores, restaurants and other business establishments housed in a single large building or in a series of connected neighbour buildings.

There are a lot of shopping mall in Melaka, including Dataran Pahlawan Melaka Megamall, AEON Bandaraya Melaka Shopping Centre, Mahkota Parade, Jusco Melaka Shopping Centre, The Shore, Tesco Melaka, Giant Hypermarket, Freeport A'Famosa Outlet, etc. The competitions among the shopping mall become very competitive. Traditionally, the major factor in determining the success of shopping mall should be location. However, because of change of customer behaviour and demand, the shopping mall now become not only a place for shopping but also a place for entertainment and satisfying a social need.

According to Terblanche (1999), consumers' lifestyle play a major role by malls. They not only become a mall for shopping but also a place for social and entertainment activities (Ng, 2003). Now the major components of any mall are stores, food courts, restaurants, cinemas, children's play areas, interactive entertainment, social use areas, relaxation spaces and promotional areas (Terblanche, 1999).

With the growing mall's number, consumer tends to be more option to choose. They are more likely to visit malls that are more attractive and match their preferences. According to Gisholt (2010), to hold on the current customer, shopping malls needs to be best in some aspects that the customers find important. While Wong et al. (2001) also state that it is necessary for mall managers to know the attractiveness of their malls their customer. However, mall attributes that are attractive for some customer are not necessarily attractive for everyone. Therefore, the purpose of this paper is to find out the factor that influencing consumer preference to visit the shopping mall in Melaka.

1.2   Problem Statement

Shopping mall is an important field because of can bring impact on the economy. It involves the process of selling consumer goods or services to customers to earn a profit. Retailing industry is a major part of Malaysia and world commerce. According to Malaysia Property Incorporated (2011), the resurgence of international interest in Malaysian malls can be attributed to growing foreign tourist receipts amounted to RM56.5 billion, of which shopping accounted for almost 30% in 2010. Currently, there are 300 retail centres in Malaysia offering a total of 114 million square feet of space and enjoying a healthy average occupancy of 80.2%. Most of these are located in the city centre, where they enjoy an average occupancy rate of 84.2%.

Of course, there are also quite a lot of shopping mall in Melaka, especially in Melaka city. According to Dlugosz (2010) and Wang (2011), every customer has his/ her own unique personality while being served. The consumer in Melaka gather from the different type of people, all of them have different behaviour, perception, feel or background. Attracting consumer to visit the malls is a major problem need to face by

the mall's investor. The purpose of this study is to find out the factors that attract consumer preference to visit shopping malls in Melaka. The choice of shopping malls as a subject for this paper is based on that I would like to look closer into how consumer choose shopping malls to visit or spend time. I would interesting to investigate which factors influencing consumer preference to visit the shopping malls in Melaka.

This has led to a problem statement, which is focusing on consumer preference to visit shopping malls in Melaka.

1.3 Research Question

This attempts to address the following research questions

i. What is the factors that influence consumer preference to visit shopping mall in Melaka?

ii. What is the most influencing factors of consumer preference to visit shopping mall in Melaka?

1.4 Research Objectives

The objective of the study was to determine the factors that would influence consumer preference to visit a shopping mall. In this study, the researcher will find out which factors that influence consumer preference to visit shopping mall in Melaka. Besides that, the study also helped to determine the most influencing factors among all the factors that would influence consumer preference towards visit shopping malls.

The objectives of the study are stated as below:

i. To investigate the factors that influence consumer preference to visit shopping mall in Melaka.

ii. To determine the most influencing factors of consumer preference to visit shopping mall in Melaka.

1.5   Scope and Limitation

1.5.1   Scope

The scope of this study is to find out the factors that would influence consumer preference to visit a shopping mall in Melaka based on consumer choice theory. The study would also determine the relationship between the factors that would influence consumer preference towards visiting shopping malls in Melaka. The targeted respondent will focus on adults in Melaka that able to go shopping malls by self. This research covered City Centre of Melaka as the main study location. This is because the coverage of this area have the higher population and there are many of shopping malls in this area.

1.5.2   Limitation

When conducting this research, there few limitation in this study. Firstly, when conducting this research study, the respondent only from Melaka, not enough comprehensive if compared with those who do it with the most different province of respondent. Therefore the result of this study cannot apply to whole Malaysia or the whole world. Second, the researcher also can't make sure that all the respondents are answering the questionnaire honestly and logic. Other than that, the researcher also assumes that the respondent have experience in handling this research topic, and he or she can provide justification answer.

1.6   Contribution of the Study

As compare to other research regarding to this topic, this study are conducted by using the Consumer Choice Theory and added a new variable which is convenience

by the researcher through finding in literature review. Other than that, the study also carried out at a brand new location which is Melaka that doesn't carry out by other researcher before this.

1.7   Significant of the Study

A shopping mall or retail industry is one of the important income of Malaysia. However, consumer preference changed dramatically all the time. By understanding the consumer preference, it helped shopping malls investor to understand the factors to attract the consumer. The shopping malls investor could build the mall with the related factors and help their mall to attract customer and help the mall to improve sales and survive in this high competitive market.

Other than that, for shopping mall tenant, this study also help the shopping mall tenant to rent a store in a shopping mall that can attract the consumer to visit. This is because human traffic is very important for a business.

This study also can be a standard reference of an attractive shopping mall to let consumer understand which shopping mall achieve the requirement.

1.8   Summary

In this chapter, the researcher had briefly gone through and explained about the background of the study. The main contents in this chapter where the research questions, research objective and research hypothesis. Other than that, this chapter also explained about the limitations that were faced while conducting this research. Besides, the researcher also explained about the importance of study about this report and the contribution of this research towards the publics.

CHAPTER 2

LITERATURE REVIEW

This chapter presented the issues, factors, ideas, opinions and the results of the research that others had done in the study area. The conceptual framework that best described the theory with the relevant variables identified and discussed how they were related.

2.1   Overview

According to Altekar et al. (2014) when a consumer wants shopping no matter grocery shopping or clothes shopping, they will start to find for alternatives to fulfil their need. Consumers now are more empowered compare to before. They have many options with look upon to when they shop, where they shop, and how they go about shopping. As a result, the expectations of consumers about the retailers with which they do business were become higher.

2.2   Consumer Choice

According to Altekar et al. (2014), a consumer will start to seek out alternatives when want to perform an act like grocery shopping, clothes shopping or generally have a need that is not yet fulfilled. The consumer will evaluate the different choices that

available for them. The use of family members (Altekar, Keskar and Vidyapeeth, 2014) and brand awareness (Hoyer and Brown, 1990; Macdonald and Sharp, 2000) can be used to queue for their decision when it is insufficient of personal preferences.

Over 30 years ago, the information gets mostly from internal information such as personal word of mouth and the use of own memory, and in a smaller degree, the mass media (Zeithaml, 1981). When coming to the technology era, the information receives more and more through the internet (Peterson and Merino, 2003). According to Peterson, Balasubramanian, and Bronnenberg (1997), the internet has given the consumers more variety in regards with that it is a low-cost way of information, collected in one place. Peterson and Merino (2003), also state that through the internet consumer can gain information from close friends and family to experts or salespersons. This will cause consumer know actually they got more alternatives to choose.

The use of attraction to attract consumers to shopping mall has been used for a long time. Kleiven (2009) proven that the important factor when consumers choose which shopping mall to visit depends on the usage of communication and variety of merchandise. Yalch and Spangenberg (2000) also proven that environmental features like music can have a positive effect on shopping time.

2.3   Shopping Mall Attraction

Kirkup and Rafiq (1999) suggest the key elements of a shopping centre marketing strategy to attract and retain customers. According to Ellegaard and Ritter (2006) to let a customer repeat his or her action, there has to be some sort of attraction from one part. Attraction is the action or power of evoking interest, pleasure or liking for someone or something. Cambridge dictionaries define attraction: "to cause interest or pleasure and to pull someone towards you by the qualities you have, especially positive and admirable ones". Base on this topic, the attraction here can refer to the factors that able to get the customer to visit the desired location or shopping mall based on the positive features of this particular brand.

2.4   Consumer Preferences

Cambridge dictionaries define preference as "the fact of liking or wanting one thing more than another". As a consumer, they are facing many situations where have to take decisions comparatively quickly. In order to solve this situation, consumers have created some preferences in every category. Things like price and convenience can cover many different types of preference which mean that those who provided these options will most likely choose. With today's market conditions, there are several options within each category, making decisions more challenging. According to Dhar, (1997) when consumers stand between different alternatives choices, they is most likely already have some idea about the different selection options.

Classical preference theory by Dhar and Simonson (1992) state that the consumers already have different preferences or are using the utility function and thus chooses the option that presents the consumer with the greatest utility. Schiffman, Kanuk and Hansen (2008) argue that in order to allow consumers the favour brand, must be familiar with consumer occupies unique personal preferences in the different product classes this mean that consumers have different needs and wants of different brands in different categories.

According to Payne et al. (1992), preferences are sensitive to different task and context characteristics. So we believe in preferences are changing rapidly which makes the preferences of today less likely to be the same in the future and forcing businesses to continue to understand preferences change and update their offer to meet consumer preferences (Yang et al., 2002).

Different type of research has been carrying out about consumer preferences including consumer preferences towards wine (Casini et al, 2009; Chrysochou et al, 2011), food (Levi et al, 1997) and generally new products (Hoeffler, 2003). These papers highlight the particular categories of consumer preference is very important when it comes to choosing a selection of branded products. This mean that consumer might choose based on different preferences, even though are highly price conscious.