

LEVEL 7 ASSESSMENT SPECIFICATION

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Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

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1. Introduction

In Hong Kong, different types of shopping centres were rapidly developed in the past years, which provide the one-stop shopping experience to the customers. Nowadays, customers' needs, wants and expectations for better service or product keep changing rapidly. With the increasing competition in shopping malls, the developers are more effectively in providing services because customers have many choices in determining the shopping mall they visit. If customers can repeat business that will create business opportunities for shop tenants. The profit of the shop tenants increases eventually benefits the landlord to increase rental.

Haj-Salem et al. (2016) reported that there are three environmental factors for a shopping centre: social factors (e.g. staff attitude & service), ambient factors (e.g. scents, lighting, music and temperature), and design factors (signages, layout & display). To win the battle of the competition in shopping centres, and be able to survive, shopping centres will need to use strategies in providing excellent service that can satisfy their customers.

Customer satisfaction is an abstract concept and is described as a post-choice, cognitive judgement connected with a purchase decision. Cronin & Taylor (1992) identified it as the link between quality and post-purchase evaluations and firms quite often use customer satisfaction as measure of product or service performance. As customer satisfaction is related to the perception and expectation of the customer, level of satisfaction increases when the quality of service exceeds the wants, needs, and expectations of the customer. The state of satisfaction depends on both psychological and physical variables which correlate with satisfaction behaviours such as return and recommend rate. In shopping centre, it represents rate of repurchase and word of mouth.

This paper will be looking into customer service, trade-mix and promotional activity of a selected mall – Island Resort Mall to examine its combined effect on customer satisfaction.

Island Resort is a complex located at Siu Sai Wan, Chai Wan, Hong Kong, composed of a three-floor shopping mall namely Island Resort Mall, a six-floor car park and 3,098 residential units. Island Resort Mall as a community shopping centre, its size is about 207,694 sq. ft., the residents of Island Resort are mainly the shoppers of the mall. The mall has been facing the problem of less incentive of new tenants move-in, the rationale behind is that the mall located at the residential estates, far away from MTR station, lesser attractive of the location and limitation of the targeted group. The landlord of the mall tends to economic-orientated, puts profit-gaining a high priority and cuts down the promotion cost, it leaves the mall in a low occupancy rate of 76.21% up to April 6, 2019.

Moreover, none of study or survey on customer satisfaction or related has been conducted for Island Resort Mall since project completion in 2001. Therefore, it is a high time to develop and test hypotheses to explore whether customer satisfaction is the key to succeed, to meet shopper needs and to achieve a high patronage, revenue and rental income for Island Resort Mall.

2. Literature Review

Customer satisfaction is important for a shopping centre and is a long-term strategic business objective to achieve. Sustainable improvement and consistent service quality are the way to maintain customer loyalty. It is also an indicator to measure the service quality of a shopping centre. Satisfied customer can increase the market share of the company and leads the company differentiated advantage from other competitors. Meanwhile, the loyal customers will recommend the positive word of mouth of the shopping centre to their friends and relatives.

Clark and Baker (2004) pointed out that increase in customer satisfaction will increase in company's profitability. Vavra (2002) stated that it will improve profitability, improve customer loyalty and improve market share if customer satisfaction is achieved. Edvardsson & Gustavsson (1990) pointed out that services are interactions and service quality is largely the result of different

interactions: interaction between customers and staff; interaction with the physical environment and the premises, and the customer's relationship with the organization.

Wright et al. (2006) demonstrated that shoppers will spend more time and money on their shopping trip due to the perceptions of pleasurable shopping experiences. The environment of shopping centre includes the design, decoration, colour, music and layout. The design and the decoration determined the image of a shopping centre. If a customer enjoys the shopping environment, then they will come and visit the shopping centre. Keng et al., (2007) concluded that physical environment encounters and personal interaction encounters positively influence customer experiential value and, in turn, behavioural intentions, such as the desire to shop at the mall, come back to the mall and recommend the mall to others.

An important retail strategy is to develop an attractive environment to induce certain positive emotional responses and ultimately affect consumer buying behaviour (Levy and Weitz, 2012). Dennis et al. (2010) predicted that customer service and mall environment contribute to building mall traffic flow, improving sales and consumer spending, and vice versa, atmospherics is customers' perception about the quality of their surroundings. Alexander and Muhlebach (1992) mentioned the mix of retailer at a shopping centre and the types of merchandise and services they provide are critical to its success. The tenant mix of a shopping centre should be the result of careful analysis and planning, with the objective of providing the broader range of goods and services consistent with the buying habits and income level of the people in its trade area. The key elements in establishing an optimum tenant mix are the demographic profile of the trade area, and the size and location of individual store spaces in the centre. Besides that, tailoring the tenant mix requires consideration of many factors, such as age, family or household composition are critical concerns.

Kirkup and Rafiq (1999) reported that the success of a shopping centre requires a change in the customers' shopping behaviour and marketing is critical to encouraging and sustaining such change. Parsons (2003) also pointed out that the promotional activities of the shopping mall are

being used increasingly to differentiate the mall through image communication, increase patronage, and stimulate merchandize purchases under the competitive atmosphere of shopping centre industry.

Oliver & Desarbo (1988) found that satisfaction or dissatisfaction is depended on the outcome whether are in equity or inequity. If customer thinks the outcome is imbalance, i.e. input is greater than output, dissatisfaction will be generated. The recessive limitation behind this theory is based on customer's personal judgment. If customer feels the input and output is in justice and feels the transaction or exchange or treatment in a fair way, satisfaction will be created. Conversely, if customer feels that in an unfair way, dissatisfaction will be produced. Baker et al. (2002) revealed three dimensions of shopping environments: invisible ambient (e.g. service, temperature and lighting), visible design (e.g. layout and shopfront), and social dimensions (e.g. activity and entertainment). Therefore, the following hypotheses were framed:

- H1.** Favourable customer service of Island Resort Mall has a positive influence on customer satisfaction.
- H2.** Favourable trade-mix of Island Resort Mall has a positive influence on customer satisfaction.
- H3.** Favourable promotional activity of Island Resort Mall has a positive influence on customer satisfaction.

3. Methodology

3.1 Data Collection and Sampling

Island Resort Mall was used to test the hypotheses for the research. The targeted population for pilot test is the residents of Island Resort, who are the anchor shoppers of the mall. For data collection, systematic sampling was used. There are eight towers of the building with 3,098 units from 7/F to 63/F, six questionnaires were delivered to each tower of selected units (i.e. unit 7A, 17A, 27A, 37A, 47A & 57A).

48 questionnaires were distributed to the targeted residents, 35 questionnaires were returned in a response rate of 73%, but 2 questionnaires were pulled out from analysis due to incompleteness. Therefore, the researcher used 33 completed questionnaires in the data analysis which has reached the minimum requirement for conducting a pilot test according to the report written by Johanson, G & Brooks, G (2010) that 30 representative participants from the population of interest is a reasonable minimum recommendation for a pilot study where the purpose is preliminary survey or scale development.

All questionnaires were written bilingually in English and Chinese for participants' easy understanding and interpretation. The questionnaire was pre-tested by three property management practitioners and further reviewed by Leasing general manager and associate director; their comments were taken into consideration. The questionnaire was slightly modified after the pre-testing process.

3.2 Measurement

An introduction of the questionnaire stated the aim of this survey and declared that the data collected will be used for the purpose of research only and treated in highly confidential. The questionnaire was split into two sections consisting of twenty-one questions. First section dealt with

the demographic factors, such as gender, marital status, age, education, income and occupation. Second section measured the three constructs involving in customer service, trade-mix and promotional activity. The purpose of setting five questions in each construct is to obtain equilibrium structure in the construct of customer satisfaction. A 7-point Likert scale ranging from 1 to 7 anchored by strongly disagree and strongly agree is used. The participants were asked to rate each question based on their opinions in terms of their perception of services provided in Island Resort Mall.

3.3 Tools for Analysis

In the application of statistical tool, care has been taken to draw a real picture without any manipulation. The statistical package like SPSS and computer software Microsoft Excel were used for analysis.

4. Analysis and Recommendations

33 usable responses were analysed. Table 1 outlines the respondents' demographics which shows that 51.5% of respondents are male and 48.5% are female. 72.7% of the respondents are married while 27.3% are single. The average age is 42-year-old, the dominant age group of the respondents was 26 to 35 (30.3%), followed by 36 to 45 (18.2%) and above 65 (18.2%). Sim et al (2005) mentioned that ages between 26 and 35 is the most attractive target group because they have relatively high purchasing power coupled with a propensity to spend. No respondents had primary or below education background. 66.7% had secondary background, 30.3% had post-secondary background and 3% had degree or above. It reflected that most of respondents have a relatively high education background. To those having good education background, they would demand for better service. 78.7% of the respondents earn monthly income between \$20,000 - \$50,000, it reflected that the respondents' spending power are relatively strong.

Reliability test was made for testing the reliability of customer satisfaction questionnaire items. Reliability of 33 samples for customer satisfaction has Cronbach's Alpha (.881). The Cronbach's alpha reliability coefficients are represented for each factor in Table 2. The reliability coefficients of all constructs ranged from 0.77 to 0.85, which is higher than the cut-off level of 0.70 set for research (Nunnally & Bernstein, 1994). No item was removed from the questionnaire. The internal consistency of all the measures was supported by the results shown in Table 2. The significant value for this analysis indicates that there were correlations in the data set that were appropriate for factor analysis. All hypotheses were supported. Therefore, it could be confirmed that the conceptual model was generally supported.

Since the items with means close to the middle of scale (near 4 on a 7-point scale) are good, the researcher thus mainly analyses those items with mean score lower than 4, the items with means above the middle of scale are treated for reference and observation.

It is observed that Table 2 in question 5 of mall environment issue was rated performing poor with mean score of 3.52. (Rahman et al., 2016) reported that positive perception of the mall environment has a positive effect on both excitement and the desire to stay in the mall, which in turn strengthens the intention to repeat the patronage and the recommendation to others. Thus, the stability of Wi-Fi system, air-conditioning and cleanness of washrooms are crucial for the mall, which demonstrate the importance of having a good service, pleasing environment, and entertainment facilities for different family members. It is recommended to have a renovation of the mall as which has been operating over 18 years. Good design of the mall will attract more shoppers to visit; they sticky around, spend more, tend to buy homes nearby, and reproduce quickly and more often. Considerable level of flexibility of design and layout should be made for subsequent changes to meet the market trend and expectations from shoppers. This supports the idea that favourable perception of the mall environment elicits positive emotional states such as pleasantness, excitement, and satisfaction (Kwon et al., 2016).

On the other hand, it is weak at the item of tenant-mix in question 6, the mean score was rated only 3.58. In Island Resort Mall, with 207,694 sq. ft. area, recently records with high vacancy rate. It is recommended selecting of well-known brand names and anchor tenants as well as various kinds of trade to strength the trade-mix. The residents of Island Resort have strong spending power in average age of 42-year-old according to the survey. Trade re-mix is suggested and to fade out the non-profit shops in order to draw more potential tenants into the mall. In addition, trade balance and retail agglomeration are also suggested for the mall.

In Hong Kong, land is the scarce asset and so the shopping mall. Most of the shops are divided into smaller size in order to achieve various trade-mix goal. In question 7, 'distribution of shops are accessible and convenient to you' was rated poor with mean score of 3.91. The landlord of Island Resort Mall is suggested to manipulate a layout planning of shops in ways that similar customers stay close to each another while interactions between different shopper groups can be limited. Proper distribution of shops is also the important factor in tenant-mix planning. For example, shops targeting children and their parents can be placed in proximity while being separated from shops targeting teenagers.

With high vacancy rate of Island Resort Mall, it is recommended the landlord to offer longer rent-free period for the new tenants to give incentive for shops to open and to attract customers to visit the mall through an extensive range of publicity (e.g. free parking privilege) and promotional activities (e.g. inviting well-known performers during particular festivals) to enhance the profits of tenants (the questionnaire item of 'mall provides various fun and entertainment programs' in question 11 was rated mean score of 3.73 only). Excitement represents 'a positive emotional state that consists of high levels of pleasure and arousal' (Wakefield & Baker, 1998, p. 519). Both pleasure and arousal are fundamental components of human's positive subject feelings. Pleasure concerns feeling good, joyful, or happy and arousal relates to feeling excited, stimulated, or active. The longer time the customer stays in the mall, the higher probability the customer consumes more, in turn to generate more income to the shops.

In question 14 of the questionnaire item of 'the directory and lightbox of shops are sufficient and visible' got the lowest mean score of 3.27. it reveals that the shoppers are difficult to find shops for the products or services they want without a proper signage and directory. Lack of modern equipment and facility provision disappoints the shoppers due to the gap between rapid technology development and real human expectation. To cope with this issue, it is recommended Island Resort Mall to tightly catch with the technological development and strive to apply the high-tech electronic directory, digital frame and LED lightboxes. Computerization is the most apparent trend nowadays. Island Resort Mall should be sensitive to the technological changes and take it in action to apply or modify to suit their own needs.

Lastly, the item of question 15 that 'gift redemption is attractive' was also rated low with mean score of 3.42, it is recommended to launch more joint promotion with credit card companies and tenants to offer special privileges to customers, from the lucky draw ticket redemption to a luxurious gift with high purchasing; to arrange more charity activities with non-government organisations and to bring in parent-child activities to increase the traffic flow. The indoor promotional venue on ground floor can also be leased to tenants to launch their products, it is an extra channel for tenants' promotion as well as casual leasing income generated. Additionally, the landlord can enhance the overall similarity to customers in a shopping environment by attracting different segments of customers on different days or different times of a day. The mall can hold group-specific promotions (e.g. events, distributing coupon discounts in its restaurants) to separate targeted groups from others. Effective practices can be a special event for college students on one evening and senior discounts such as a free cup of morning coffee or early-bird discounts. More efforts are required for promoting of Island Resort Mall, through magazine, free local/ district newspaper, or internet to highlight the good sides of the mall to stick into the mindset of the customers. The mass media influence is particularly great in recent years due to the fast movement of information and the rapid technological development.

Island Resort Mall is defined as a Community Shopping Centre, it serves a catchment population not only the population of 3,098 residential units of Island Resort, but also the population vicinity

including Siu Sai Wan Estate (6,163 units), Harmony Garden (2,340 units), Fullview Garden (3,240 units), Cheerful Garden (1,870 units) and Kai Tsui Court (1,216 units). The role of the mall is not only to provide various types of trades to shoppers for buying goods or services. It is also to provide a harmonious feeling, comfortable environment, tailor-made customer service and attractive promotional activity to lure more loyal customers to increase the traffic flow for the mall.

5. Conclusion

Hong Kong is well known for its fast pace of life, reflected in the region's dining and even shopping habits. Hong Kong shoppers are product-oriented and most of the shopping malls in Hong Kong are designed without comprehensive infrastructure to meet customers' needs. With the increased demand for an improved quality of life, however, the basic shopping pattern no longer satisfies customers.

In this paper, the main purposes are to evaluate the effects of customer service, trade-mix and promotional activity on customer satisfaction in Island Resort Mall, from which the researcher has selected 15 factors across three constructs to measure and used SPSS to analyse each factor. The key results of the study show that the limitation of trade-mix, sub-level of mall environment, improper distribution of shops, lack of promotional activity, insufficient of directory and unattractive of gift redemption are the current problems of Island Resort Mall. This study evaluated the key elements of Island Resort Mall in terms of customer service, design and layout, trade-mix, accessibility, promotion and marketing in predicting customer satisfaction for improving the shopping experience of the Island Resort residents. All hypotheses were supported. This paper also discussed some theoretical and implications of the findings provided with recommendations.

Customer satisfaction is a long-term strategic business objective. Innovation of customer service, diversification of tenant-mix and attractive promotional activity will lead to increase the level of customer satisfaction, which in turn makes customers more loyal. Loyal customers repurchase and

lead more profit to Island Resort Mall. Therefore, the importance of customer satisfaction is justified to the survival of Island Resort Mall.

6. Scope for Future Research

High quality of service is believed to influence customer satisfaction, and then customer satisfaction will affect customer loyalty directly (Heskett et.al., 1997). Customer satisfaction and customer loyalty are inter-related in a positive relationship. Customer satisfaction is important for a shopping centre. It is because a satisfied customer will become a loyal customer and leads to profit in a shopping centre.

Loyal and profitable customers are representing goals for any landlord, sustaining business and promising future profits. To deepen understand on customer satisfaction of overall Island Resort residents, main survey on customer satisfaction including factors of customer loyalty as conceptual idea will be carried out with 3,098 residential units of Island Resort in May 2019.

Table 1
Demographic Characteristics (n = 33)

	Frequency	%
Gender		
Male	17	51.5
Female	16	48.5
Marital Status		
Single	9	27.3
Married	24	72.7
Age		
16 - 25	4	12.1
26 - 35	10	30.3
36 - 45	6	18.2
46 - 55	5	15.2
56 - 65	2	6.1
Above 65	6	18.2
Education		
Primary or below	0	0
Secondary	22	66.7
Post-secondary	10	30.3
University degree or above	1	3
Monthly Income		
Below \$10,000	0	0
\$10,001 - \$20,000	3	9.1
\$20,001 - \$30,000	8	24.2
\$30,001 - \$40,000	11	33.3
\$40,001 - \$50,000	7	21.2
Above \$50,000	4	12.1
Occupation		
Public Servant	2	6.1
Sole Proprietor	1	3.0
Adm. / Manager	6	18.2
Technical/ Skilled worker	2	6.1
Student	4	12.1
Housewife	12	36.4
Retired	6	18.2
Others	0	0

Table 2
Customer Satisfaction Questionnaire Items

	Mean	SD	Cronbach α
Customer Services Construct			0.77
1. Staff provide prompt and instant service.	5.36	1.03	
2. Staff are helpful.	5.18	0.95	
3. Staff are polite with neat appearance and smiling.	5.61	0.61	
4. Staff are knowledgeable.	4.82	0.73	
5. Mall environment caters your needs. e.g. air-conditioning, cleanness of washrooms.	3.52	0.76	
Trade-mix Construct			0.81
6. Trade-mix of shops are on your choice.	3.58	0.61	
7. Distributions of shops are accessible and convenient to you.	3.91	0.63	
8. Shopping area and space are proper for its trade.	4.09	0.52	
9. Shops are providing good quality of product/ service.	4.97	1.02	
10. The shopfront and interior design are decent.	4.70	1.10	
Promotional Activity Construct			0.85
11. Mall provides various fun and entertainment programs.	3.73	0.57	
12. The performance for mall activity is attractive.	4.03	0.59	
13. The advertisement and publication of shops are sufficient.	4.12	0.65	
14. The directory and lightbox of shops are sufficient and visible.	3.27	0.76	
15. Gift redemption is attractive.	3.42	0.79	

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