AN INVESTIGATION OF THE CRITERIA THAT CREATE OPTIMUM TENANT MIX SYNERGY IN SHOPPING CENTRES

GARTH ELROY DE VILLIERS

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SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
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Magister in Business Administration to be awarded at the Nelson Mandela
Metropolitan University

December 2012

Promoter : Dr John Burger
Declaration

Statement 1

I, Garth Elroy de Villiers, hereby declare that the work in this research paper is my own original work.

Statement 2

I declare that all sources used or referred to have been referenced, documented and recognized.

Statement 3

I declare that this research paper has not been previously submitted in full or partial fulfillment of the requirements for an equivalent or higher qualification at any other recognized education institution.

Full names_________________________________________ ____________

Signature__________________________________________ _____________

Date_______________________________________________ ____________
Acknowledgements

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Finally thank you to my family who encouraged and supported me through the several years that led me to this research.
Abstract

The shopping centre has evolved into an integral part of modern day society. New generations especially are unable to imagine a world without shopping centres. In 2008 a world wide economic down turn emphasized the competition to attract a buying market to shopping centres, some centres thrived and some centres struggled. The need to understand what creates these different responses to highly competitive scenarios is discussed in this study, with particular attention given to the tenant mix that exists in different shopping centres. Criteria that determine an optimum tenant mix are examined and the constraining factors are discussed.

A literature review of shopping centres is discussed and the evolution of the shopping centre to our current day understanding of the term shopping centre is examined. Accepted definitions and categorisations of shopping centres along with a brief history of the shopping centre, as revealed by the literature, is presented. To create a tenant mix the body of tenants needs to be divided into sub- categories and various ways to achieve this are examined.

The objectives of this study are to determine what strategic approaches to managing the tenant mix exists in the literature and what factors determine the formulation of this mix. Furthermore the study examines to what extent these or other strategic approaches are used in practice and finally makes recommendations to promote the optimum tenant mix in shopping centres.

A literature review was conducted to determine what the theory reveals about the shopping centre industry. This was followed by an empirical survey conducted in the Port Elizabeth area of the Nelson Mandela Metropole.

Finally the findings and theory were compared to make conclusions and suggest recommendation to achieve synergy in shopping centres through an optimum tenant mix.
Keywords

Shopping centre, tenant mix, retail strategy, tenant types, retail marketing, synergy
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Chapter 1

Problem statement and outline of the study

1.1 Introduction

Described by Gardner and Sheppard (1989) as “the secular cathedrals of the late twentieth century, dedicated to the twin gods of commerce and profit”, the planned shopping centre is one of the most widely studied retailing phenomena, yet comparatively little empirical research has addressed the issue of tenant mix. An enormous number of words have been processed and paper consumed by commentators on the development (Morgan and Walker, 1988), planning (Schiller, 1985), management (McKenna, 1985), impact (Guy, 1987), evolution (Rogers, 1990), aesthetics (Maitland, 1985) and almost every other feature of this particular retailing institution (Brown, 1992).

Surprisingly, however, the issue of tenant mix, the combination of retail establishments occupying space in the centre, has generated comparatively little published research. It has of course frequently been asserted that the mix of tenants is the most important determinant of a shopping centre’s success or failure (Abratt, Fourie, and Pitt, 1985). The concept of a carefully controlled tenant mix can be dated back to the opening of the New Exchange in London in 1609 (Davis, 1966). Yet it is arguable that almost four hundred years after the New Exchange, tenant mix remains not only one of the most important aspects of shopping centre development but also one of those about which least is known (Sim and Way, 1989).

1.2 Statement of research problem

An investigation of the criteria that create optimum tenant mix synergy in shopping centres.
1.3 Sub-problem

- What are the factors that cannot be altered in generating tenant mix?
- What are the contemporary approaches to managing tenant mix in practice?
- What are the impediments to managing tenant mix?

1.4 Objectives

- Identify tenant mix strategies revealed by the literature.
- Identify aspects which make up a successful tenant mix.
- Make recommendations as to what can be done to create and implement strategies.

1.5 Definition of key concepts

1.5.1 Synergy

Synergy, in general, may be defined as two or more things functioning together to produce a result not independently obtainable. That is, if elements A and B are combined, the result is greater than the expected arithmetic sum A+B.

Cost synergies
A cost synergy refers to the opportunity of a combined entity to reduce or eliminate expenses associated with running a business, by sharing costs between the individual entities.

Revenue synergies
A revenue synergy refers to the opportunity of a combined entity to generate more revenue than the individual entities alone. For example, if company A
sells product X through its sales force, company B sells product Y, and company A decides to buy company B then the new company could use each sales person to sell products X and Y thereby increasing the revenue that each sales person generates for the company (Buchanan and Huczynski, 1997).

1.5.2 Shopping centre

This research paper adopts the shopping centre definition offered by Berman and Evan (2010).

There are three basic location types a retailer should distinguish: the isolated store, the unplanned business district, and the planned shopping centre. The focus of this paper is only on the planned shopping centre.

A planned shopping centre consists of a group of architecturally-unified commercial establishments built on a site that is centrally owned or managed, designed and operated as a unit, based on ‘balanced tenancy’, and surrounded by parking facilities. Its location, size, and mix of stores (tenants) are related to the trade area being served (Berman and Evans, 2010). Typically it has one or more anchor store(s) or major tenant(s) and a diversity of smaller stores. The anchor store(s), whether it is a supermarket or department store, largely determines the character and profile of the centre and provides most of the visibility needed to attract customers.

1.5.3 Retail agglomeration

The notion of cumulative retail attraction, especially based on retail agglomeration, has been used to explain the development of retail centres and to suggest how the location of retail business centres should be managed. An early statement was Nelson’s law of retail attraction (Nelson, 1958). If two stores are side by side and one customer in a 100 makes a purchase in both, then together they will do 1 per cent more business than if separated by such a distance as to make this interchange impossible or unlikely. Even stores which
are regarded as ‘generative’; that is, relying mainly on their own attraction to customers, benefit from this cross shopping. Non-magnet traders which rely more on doing business with customers attracted to the location by other businesses obviously do. The middle ground of those who share in contributing to and those benefiting from cumulative attraction forms the largest portion of this group. The analysis of shopping behaviour and of the clustering of retail units has given support to the idea that there is a synergy created by a shopping centre (Ghosh and McLafferty, 1987).

1.5.4 Tenant mix

The shopping centre is an agglomeration of various retailers and commercial service providers within a well planned, designed and managed building or a group of buildings as an unit (Urban Land Institution, 1983). This definition suggests the agglomeration of retail/service activities in a shopping centre is well planned and highly controlled by the centre managers/owners. Therefore the interactive forces among tenants, that is, the inter-store externalities, can be internalised/managed to maximise profits for the whole shopping centre (Yuo, Crosby, Lizier and McCann, 2003). This cluster of retail and service providers in shopping centres is termed the “tenant mix” (Kirkup and Rafiq, 1994). This variety of retail/service categories is the result of this mixture of various tenants.

Previous research suggested that tenant mix is one of the most crucial factors in the success of a shopping centre. It is certainly one of the most crucial elements in establishing the image of a shopping centre (Yuo, Crosby, Lizier and McCann, 2003).

1.6 Demarcation of the research

Delimiting the research makes the topic manageable (Mouton, 2003). The scope of this study is limited to planned shopping centres as listed by the South
African Council of Shopping Centres (2010). Persons surveyed or interviewed included staff, managers, owners and tenants of such shopping centres.

Geographical demarcation
The area to be researched is limited to the Nelson Mandela Metropole, with particular focus being on shopping centres in the Port Elizabeth area.

1.7 The significance of the research

The total retail market in South Africa is currently worth about R524 billion (South African Council of Shopping Centres, 2010). There are approximately 37 million square meters of retail space available, of which 16.6 million square meters or 46 percent forms part of shopping centres. The importance of the shopping industry lies in the fact that more than 55 percent of all money spent, is on retail products (Prinsloo, 2010). The application of research data and management strategy to creating an effective and efficient shopping experience impacts every person in some way, from a cost perspective, to scope of products and brands available, to entertainment and convenience.

1.8 An overview of the related literature

The main success factors suggested in previous studies are tenant mix, quality of location and accessibility, catchment size and catchment quality, car-parking provision, internal layout and environment (Beddington, 1991). The term tenant mix refers to a combination of factors, including the proportion of space, number of units, type of stores, variety of products and brands and relative placement of each factor (Dawson, 1983).

The success of individual tenants and the success of the centre as a whole are interdependent and enhanced by the cumulative synergy generated by the tenant mix (Sim and Way, 1989). Given the importance of tenant mix, particularly for new shopping centres, it is surprising to find very little research...
on the topic. This study attempts to contribute to the literature by examining existing approaches used to deal with the tenant mix issue.

The emergence of the shopping centres as we know it today began in the post war revival of the 1950s. The effects of retail evolution led us to the form and function of the contemporary shopping centre.

A shopping centre can simply be defined as a single property containing many retail units, managed as a single retail unit. Shopping centres can be categorized by configuration and further grouped into type by catchment markets.

The role of the shopping centre in the economy today is varied. The shopping centre is;

- A place of business for store owners to sell, and a market for shoppers to purchase goods and services.
- A property for developers and investors to trade and realise a profit.
- An investment for investors to realize long term returns via rentals.
- A place of social gathering and entertainment for society.

In order to study tenant mix tenants/stores need to be divided into groups that can be defined in a simple manner. Several such divisions are considered; from function and distribution of the stores to goods and services offered. Tenant divisions as proposed in existing research is considered. Simple anchor non-anchor divisions as proposed by Eppli and Shilling (1993), externality forces as proposed by Brueckner (1993), to inter-action effects as proposed by Bean, Noon, Ryan and Salton (1988).

At an early stage of shopping centre evolution the locale has received much attention as an important factor in determining long term success of the centre. Applebuam (1965) has presented much research in this area and various algorithms and models are currently in use that analyze data in determining the
optimum location for a new shopping centre. An important part of the tenant mix issue is location of the individual stores within the shopping centre space as well as the individual store locations with reference to each other. It is recommended to separate similar types of stores to maximize shopper movement within the centre, and it is also recommended to group similar types of stores to create magnet areas within the centre (Darlow, 1972). Later proposals by Orchard-Lislie (1985) propose a compromise between the two approaches as being optimal.

Shopping centres are often designed and developed for resale to long term investors such as pension groups and life insurance groups. The idea of actively managing a shopping centre to create value is not universally supported in the literature. Hence several debates arise around the idea of applying strategic approaches to the tenant mix issue.

- Under the framework of a long term lease, can the tenant mix be actively managed?
- Should the tenant mix be allowed to evolve?
- Is the tenant mix issue not self regulating?

The shopping centre is a marketable entity and competing with other centres is the norm in current markets. Centre owners/managers need to recognize that a shopping centre image can be managed, promoted and improved (Kupke, 2004). Similar techniques used to brand goods and services can be applied to shopping centres to improve shopper satisfaction and the commercial success of the centre (Dennis et al., 2002b).

A review of the existing approaches to the tenant mix issue highlights the important dependent and independent variables to be considered.
1.9 Research methodology

The descriptive research method was the most suitable design structure for this study. It describes the situation as it is and enables the researcher to identify and describe the variability of different phenomena such as attitude, beliefs and behaviour. This method enabled the researcher to make inferences about what particular approaches to management within shopping centres were adopted to implement strategy and to further make inferences about what the person applying the strategy thought the desired objectives were.

Three modes of data gathering were used in this study. A literature review was conducted to establish the current state of the body of knowledge on tenant mix issue. The literature review would also highlight current trends in the area of research on the tenant mix issue. Face-to-face interviews were used to gather data required for the questionnaire design and to further make inferences concerning the data. A questionnaire was designed to gather data from the shopping centre tenants. Questions were mostly closed type questions based on a Likert scale or Ranking scale. The questionnaire was internet based, the access links were emailed to the respondents by the shopping centre owner/manager. A covering letter accompanied each email explaining the purpose of the questionnaire and the objectives of the research. Confidentiality issues were addressed from the outset and a letter in this regard accompanied each email.

Data analysis is the process of turning the raw data into information. This information is further used to develop concepts, theories, explanations or understandings (Lancaster, 2005). Lancaster identifies four processes in analysis;

- Distillation.
- Classification.
- Identification.
- Communication.
From the initial group that formed part of the face-to-face interviews a pilot study group was selected. During the interviews the researcher stressed that the emphasis of the research data would be on management strategy and approaches to managing the tenant mix issue and thus the sample population should include strategy makers. It was decided that the sample population would consist of store managers/ owners and not the general shoppers.

The pilot study was conducted online fully simulated as the respondents would interact with the process, however the database used was in a test mode. The researcher individually consulted with each member of the pilot study group to receive feedback. Changes to the questionnaire were implemented and the electronic package was emailed to each participating shopping centre owner/ manager, in stores where no internet access was available a hard copy of the questionnaire package was hand delivered.

This study used a cluster sampling technique and 13 shopping centres represented a possible 811 respondents were approached. The sample population were 56 percent female, had an average age of 42 years and had an average tenure in the retail industry of 11 years. The most common level of education present was “experiential”.

The Nelson Mandela Metropolitan University’s (NMMU) online research tool was used to capture all data onto the NMMU’s databases. The data were exported to Microsoft (MS) Excel and then analyzed using statistical software SPSS. A correlation analysis of question six in the survey questionnaire (refer appendix 3) was conducted to make inference regarding the statements. Figures and graphs were use to graphically display the data and to highlight trends in the data.

1.10 Outline of the study

This study was planned to include the following chapters:
Chapter 1: Problem statement and outline of the study
Chapter 2: Literature review
Chapter 3: Research methodology and analysis of classification data
Chapter 4: Empirical results and data presentation
Chapter 5: Findings, conclusion, and recommendations

1.11 Chapter summary

The main problem and sub-problems were stated in this chapter. Key concepts were defined, a related literature review was presented and the outline of the study was highlighted. In the next chapter the literature review on the tenant mix issue and relevant aspects of the retail industry are discussed in more detail.
Chapter 2

Literature review

2.1 Introduction

The marketing and financial success of a shopping centre is dependent on many factors. Among the main success factors suggested in previous studies are tenant mix, the quality of location and accessibility, catchment size and quality, car-parking provision, internal layout and environment (Beddington, 1991). The combination of all these factors will have a bearing on whether or not a owner/manager will be successful in marketing the centre to both potential tenants and potential shoppers. The term tenant mix refers to a combination of factors, including the proportion of space or number of units occupied by different retail/service types, as well as the relative placement of tenants in the centre (Dawson, 1983). From a marketing point of view, securing an appropriate tenant mix is critical to attract and retain customers as the image of a centre is largely determined by tenant mix (Greenspan, 1987). Tenant mix has been noted as especially important for certain types of centres which are reliant on a differentiated image as a key element in their marketing strategy. The initial mix of tenants provides the first consumer experiences, and the quality of first impressions has been noted as a vital component in building a successful centre (Worthington, 1988). Pre-lettings to appropriate anchor tenants are particularly crucial as they help developers attract funding, set the tone for a centre, and encourage leasing commitment from other traders. Some owners also incorporate a proportion of smaller traders to add variety and help build a differentiated image to attract shoppers. The success of individual tenants and the success of a centre as a whole are interdependent and enhanced by the cumulative synergy generated by the mix of stores (Sim and Way, 1989). Clearly, in all shopping centres the owner must ensure that the number of unlet stores and tenant failures are minimized. Vacant premises are more noticeable in enclosed centres, imply failure to the shopper, hinder footfall
and retail synergy and impact significantly on marketing and financial success (Wenthe, Fredenberger, and DeThomas, 1988). Given the importance of tenant mix, particularly for new shopping centres, it is surprising to find very little research on the issue. This study attempts to contribute to the literature by examining existing approaches used to deal with the tenant mix issue. This study highlights some mathematical models employed as well as some pragmatic management aspects that make the tenant mix issue both more important and more problematic, and recognizes some new perspectives on shopping centre management.

In this chapter the following issues are discussed as a review of the body of knowledge in the field of research into shopping centres:

- A brief history of the shopping centre.
- Defining the shopping centre.
- The role of the shopping centre in the economy.
- Establishing tenant divisions by type or category.
- Locating the shopping centre in a trade area.
- Locating the tenant within the shopping centre.
- Managing tenant mix.
- Marketability of the shopping centre.
- Approaches to tenant mix management.

### 2.2 A brief history of the shopping centre

Shopping centres play a significant role in our daily lives, in our economy and in the growth and development of our towns and cities. The vested interests in shopping centres varies from the property developer looking to make a sale profit, to the investor looking for long term returns, small business owners and tenants looking for a market to sell their goods, employees as a place to earn a living, shoppers for purchasing efficiency and convenience and citizens as a social gathering place offering entertainment and social interaction.
But where did the shopping centre phenomena originate and when did it become so significant? As can be expected there is no definite moment identified in existing literature, since the shopping centre is a product of retail evolution, and the moment of significance would depend upon someone putting it to paper. In compiling this literature review shopping centre theory and research dating back to 1929 has been consulted. However the real emergence of the shopping centre phenomena begins in the post war 1950s, with the reconstruction of towns and cities, amidst a sense of new beginnings, new ideas, and a utopian future. The mall type of shopping centre came to prominence in the 1970s, with centres being purpose built for retail on a large scale (Scott, 1989). The concept took retail outside of the cities offering shoppers a critical mass in product variety and unrivalled convenience, and in so doing it began to reshape the growth and development of the city itself.

2.3 Defining the shopping centre

In its simplest form, a shopping centre can be defined as a single property containing many retail units, managed as one retail unit. Shopping centres today however are more complex in terms of size, type and characteristics. This situation has contributed to the confusion as to shopping centre identities. Delise (2007) shows that over the years, shopping centre formats have taken on a confusing array of identities, with names that include such descriptions as centres, lifestyle centres, malls, markets, marts, mega-malls, plazas, promenades, shops, squares and villages. The reason behind the existence of these descriptions is that, because of the maturity of the industry, there are currently numerous types of centres that go beyond the standard definitions. The shopping centre industry originally offered four basic terms: neighbourhood centre, community centre, regional and super-regional centres. These descriptors are largely still used today albeit The International Council of Shopping Centres has offered broader categories of descriptors. The International Council of Shopping Centres (2004) has defined a shopping centre as a group of retail and other commercial establishments that is planned,
developed, owned and managed as a single property, with on-site parking provided.

The three main physical configurations of shopping centres are (The International Council of Shopping Centres, 2004):

- Malls.
- Open-air centres.
- Hybrid centres.

Within these configurations, eight principal shopping centre types have been identified according to the United States (US) market.

2.3.1 Basic configurations

Malls
The most common design mode for regional and super-regional centres is often referred to as a ‘shopping mall’. The walkway or ‘mall’ is typically enclosed, climate-controlled and lit, flanked on one or both sides by storefronts and entrances. On-site parking, usually provided around the perimeter of the centre, may be outside, at ground level or parking levels in a multi levelled structure.

Open-air centres
An attached row of stores or service stores managed as a unit, with on-site parking usually located in front of the stores, with common areas that are not enclosed, is often referred to as an ‘open-air centre’. Open canopies may connect the storefronts, but an open-air centre does not have enclosed walkways linking the stores. The most common variations of this configuration are linear, L-shaped, U-shaped, Z-shaped or cluster.

Hybrid centres
This is a centre that combines elements from two or more of the main shopping centre types. Common hybrids include value-oriented mega-malls (combining
mall, power centre and store elements), power-lifestyle centres (combining power centre and lifestyle centre elements) and entertainment-retail centres.

Types of shopping centres
Within the basic configurations, there are eight major types (The International Council of Shopping Centres, 2004):

- Neighbourhood centres.
- Community centres.
- Regional centres.
- Super-regional centres.
- Fashion / speciality centres.
- Power centres.
- Themes / festival centres.
- Store centres.

The neighbourhood centre includes between 15 and 20 stores and is designed to provide convenience shopping for customers within a 2.5 kilometre radius. This type of centre generally has a 5 000 square metre gross leasable area (GLA), (Kyle, 2000).

A community centre includes between 20 and 70 stores, usually has a junior department store plus other convenience stores, and draws customers from an eight kilometre radius. Ranging from 10 000 to 45 000 square metres of GLA, it is usually about 15 000 square metres.

Regional centres include between 70 to 225 stores, but all have at least one major department store as their anchor tenant. Customers typically come from 15 to 80 kilometres to take advantage of the full range of merchandise and services offered by the major stores. These centres typically contain 45 000 square metres GLA.
A super-regional centre provides an extensive variety of general merchandise, apparel, furniture and home furnishings. To be considered a super-regional centre, however, it must contain three or more department stores of 10 000 square metres or greater. The GLA is typically 80 000 square metres, but can range from 60 000 to 150 000 square metres (Graham and Bible, 1992).

The fashion/speciality centre is composed mainly of upscale apparel shops, boutiques and craft shops carrying selected fashion or unique merchandise of high quality and price. These centres need not be anchored, although sometimes restaurants or entertainment can provide the draw of anchors.

Power centres are usually dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs or stores that offer tremendous selection in a particular merchandise category at low prices. These centres have only a minimum number of small speciality tenants.

A theme/festival centre typically employs a unifying theme that is carried out by the individual shops in their architectural design and, to an extent, in their merchandise. This centre has the greatest appeal for tourists; it can be anchored by restaurants and entertainment facilities.

The store centre is usually located in a rural area or occasionally in a tourist area. A store centre consists mostly of manufacturers’ stores selling their own brands at a discount. Typically, a store centre is not anchored. A strip configuration is most common, although some are enclosed malls, and others can be arranged in a village cluster.

2.4 The role of the shopping centre in the economy

The point of creating a shopping centre must be to create more overall value than the individual businesses within it could create for themselves. The whole must be greater than the sum of the parts.
The confusion in the role of the shopping centre has come about from the uncertainty in the identification of the customer to the shopping centre owner/manager. Is the customer the investment fund who is in the market to buy a shopping centre for long returns, or is the customer the tenant who rents space to sell his/her goods in the shopping centre, or is the customer the shopper who purchases goods and services from the shopping centre? The answer is not as simple as it may seem, for to arrive at the correct answer the shopping centre owner/manager will need to understand his/her business model and business goals and the answer would further depend on the approach taken to achieve these business goals. Simply it can be stated that the ultimate goal of any business is to preserve and increase shareholder value. Hence the important decision to be taken is which approach the shopping centre owner or manager should adopt (Kyle, 2000).

Should the owner/manager take the approach that the shopping centre’s value lies in the physical structure and its location, and that post letting the best way to preserve the shopping centre’s value is to focus on building maintenance. Then the focus will be on low cost maintenance and the customers will be the potential buyers of the centre (Okubo, 1999).

Should the owner/manager take the approach that the shopping centre’s value lies in the facility and services the shopping centre provides to the tenants to conduct their daily business in the most efficient way possible. Then the focus will be on running costs and facility maintenance costs and the customers will be the tenants.

Should the owner/manager take the approach that the shopping centre’s value lies in the centre’s ability to attract shoppers to the centre, thus creating the market for its tenants. Then the focus will be on collaboration with all tenants, promotion of the centre as a whole and the shopping experience offered by the centre and the customers will be the shoppers (Howard, 1997).
2.4.1 Shopping centre as a place of business

As a business place, the location factor is very important. Aside from a good location, accessibility also creates the desire to visit and shop at shopping centres. From another perspective, the efficient design of a shopping centre is crucial in portraying its image as a business place. Almost all shopping centres consist of a site that comprises land that it occupies and some types of buildings. The buildings house tenants or retailers offering goods and/or services. The space occupied and leased by tenants is measured in square meters, and a shopping centre’s total leasable space is known as its GLA (London, 1999).

The largest stores within shopping centres are usually known as anchor tenants. The anchor tenant of the shopping centre is typically a department store that occupies space with a size range of 5 000 to 30 000 square metres (Kyle, 2000).

The role of the shopping centre as a business place is to provide a market place for retailers in terms of attractiveness of the location, its catchment of population, accessibility, parking facilities and the quality of the shopping environment as a whole (The National Retail Planning Forum, 2000).

2.4.2 Shopping centre as a property

A shopping centre as a property is seen as a building that contains physical structures, spaces and facilities, and is managed as a single property. As a property, it is an unavoidable fact that the building housing a shopping centre will deteriorate. It will show signs of physical deterioration. Physical deterioration is a deterioration of the physical fabric of the building as a function of use and the action of the elements. To overcome this problem, a strategic maintenance operation is needed. Needless to say, maintenance is a necessary part of the shopping centre business. The role of shopping centres as a property in terms of maintenance is to ensure that the shopping centre’s infrastructure is effectively run. This should ensure the enhancement of the
shopper and the tenant surroundings while not forgetting the preservation of the owner’s investment.

### 2.4.3 Shopping centre as an investment

Shopping centres have traditionally been built by developers, often managed by the same or specialized organisations, and have been sold to the institutional investment community. Most of the institutions are life insurance and multinational corporations (Okubo, 1999).

The income streams of shopping centres are as follows:

- Typically, the largest income stream is percentage rent against a percentage of sales.
- Common area maintenance charges pass on to each tenant a pro-rata share.
- Income derived from seasonal or temporary activities.

Howard (1997) identified that the retail and other property investment does offer long-term security and a reliable income stream to investors. This is because of the nature of the most common form of leasing of the retail unit. Shopping centre leases generally follow the pattern of all other landlord and tenant leases. These leases tend to be long term.

Shopping centres as an investment show the ability of the property to generate a future income stream that may attract investors. The quality of management in the shopping centre is, however, an important factor that can affect the success or failure of the centre (Morgan and Walker, 1988). This shows the importance of the role of shopping centre management in securing a future stream of income as a return from the owner’s capital investment.
2.5 Establishing tenant divisions by type or category

Formulation of the ideal tenant mix requires the body of tenants as a whole to be divisible into logical types or broader categories. These divisions need to be clearly understood and assignable to the individual tenants encountered in the shopping centre environment. In this section the following divisions are discussed. The body of tenants;

- Divided into individual types (Abratt, Fourie, and Pitt, 1985).
- Divided into broader categories (Abratt, Fourie, and Pitt, 1985).
- Divided into anchor versus non-anchor (Eppli and Shilling, 1993).
- Graded/ ranked according to “externality” factors (Brueckner, 1993).
- Divided into similar types then graded/ranked according to “inter-action” factors (Bean, Noon, Ryan, and Salton, 1988).

2.5.1 Types of tenants

To constitute a tenant mix sub groups need to be defined.

Anchor tenants
The important factors in obtaining an anchor tenant are:

- The strength of the location of the shopping centre.
- The policy of the available anchor tenant.
- The extent to which its branch store programme makes it available as a prospect.

The anchor tenant generates the greatest amount of customer patronage. Since the anchor tenant constitutes the backbone of a centre’s development it should be “signed up” as early as possible in the planning stage. It is the anchor tenant which sets the image for the centre which subsequently influences the choice of subsequent compatible tenants.
National chain vs independent traders
Generally, national chains tend to attract a far greater patronage than do locals, thus making them more attractive to owners/ managers. However, independent stores do have a distinct advantage over the nationals in that they satisfy the consumer demand for personal service and quality retailing sought after by the upper income class of shopper. Although the nationals play an important role, the small traders must not be overlooked by the owner/ manager since it is they who create the individuality and excitement within the centre (Eppli and Shilling, 1993).

2.5.2 Categories of tenants

The department store
These stores are usually the anchor tenants. When negotiating with these types of stores the owner/ manager should be aware of the segment of the market the tenant serves, the store’s policies in price, lines and merchandising image. However, it must be borne in mind that department stores are declining as a retail concept in South Africa. Customers are finding themselves more and more attracted by specialist stores which concentrate on specific lines.

Supermarkets
The supermarket does contribute to a more complete range of merchandise in larger centres, the high demand for parking facilities can be a possible detriment to the centre.

Other food stores
The small speciality food stores e.g.: delicatessens, sweet shops, bakeries, play an important role in creating the image of the centre, especially in larger centres. They generally tend to pay higher rentals because they accommodate smaller floor area. They can therefore become extremely valuable tenants.
Restaurants and fast foods
The size of the centre to a large extent influences the types of eating facilities provided. In the larger centre, the role of the eating facility is two-fold: Firstly, to accommodate the shopper who requires a quick snack; secondly, it has to provide the gourmet meals demanded. It is essential, therefore, that the centre has a balanced restaurant programme.

According to (Abratt, Fourie, and Pitt, 1985) some characteristics of successful fast food operations include:

- It should serve quality food.
- It should have very high customer identity.
- It should offer good service.
- It should offer reasonable prices.
- It should appeal to the general public of all ages.

Apparel stores
This type of store is extremely important in regional and community centres because it provides a strong attraction for comparative shopping which is characteristic of these types of centres. Although ladies wear stores are of special importance because the bulk of shoppers constitute women, men’s apparel stores are gaining influence as men become more fashion conscious.

Furniture and home furnishing stores
These types of shops are not suited to a shopping centre location because items sold by them are not frequently purchased. In addition, consumers usually make a special shopping trip to purchase such items. Large display and storage areas are required by them. They do not produce a high pedestrian flow, nor do they pay high rentals. They may, however, be justified in very large centres where locations, away from the main traffic flow are available.
Institutional tenants
Institutional tenants include Banks, ATMs, Post Offices, business centres and telephone company branches. These types of tenants are desirable because they pay fairly high rentals which are secure. They can also utilise dead areas since they do not rely on passing trade. Further they do not require large floor space.

Retail services
Examples of these types of tenants include barbers, shoe repair stores and beauty salons. They can generate substantial customer traffic, although they may be located in relatively out of the way areas. Generally speaking they pay fairly high rentals.

Entertainment facilities
These types of tenants range from cinemas to discotheques, and include video game centres. The suitability of such tenants is sometimes questioned since they can create parking problems and can introduce an undesirable type of pedestrian flow. Such tenants can be justified, however, because it is felt that they bring an added dimension to a centre and can attract people who are not regular customers from a larger geographical area to the centre.

Other retail stores
Gift shops, jewellery stores, hobby shops, music stores and camera shops make up the balance of the tenant mix. These types of tenants can enhance the customer appeal of the centre (Abratt, Fourie, and Pitt, 1985).

2.5.3 Anchor tenants vs non-anchor tenants

In a simplified view of the approach proposed by Eppli and Shilling (1993), there are only two types of tenants: Anchor tenants and non-anchor tenants.

The anchor tenants create a draw card for the centre and the non-anchor tenants benefit from locating near the anchor. The anchor tenant is affected only by the amount of space it leases and not by the space allocated to non-
anchors. Non-anchors, however, are affected by the amount of space they lease and the space let to the anchor. The owner/manager must choose the optimal allocation of space to the categories to maximize total centre rental. Eppli and Shilling’s (1993) model provides predictions which explain observed behaviour. For example, it is typically observed that anchor tenants have far lower rentals per square meter than mall stores and food court operators. So why doesn’t the landlord allocate all space to mall stores and food court operators? The answer flows directly from Eppli and Shilling (1993). The price of the mall store and food court space depends on the space allocated to an anchor. If there is no anchor the sales these retail tenants would achieve, and therefore the rent they could afford, will move toward zero.

2.5.4 Externality ability

Brueckner (1993) has produced a general shopping centre space allocation approach that does not differentiate between anchors and non-anchors, but between all retail tenant types. Retail tenants are defined according to their retail demand externality generating abilities. The starting point for Brueckner’s model is that centres contain a variety of shops to lure consumers because of the time economizing quality of shopping at one destination. If another type of retailer enters a centre, this increases the likelihood that any given shopping trip can be executed in a time-cost saving manner by visiting the centre (as opposed to visiting isolated shops). As some additional consumers will patronize other stores during their visits, the existing retail tenants receive that Breukner terms as ‘externality’ from the new type of store location in the centre. Retail tenant types differ in their externality generating ability. For example, a mall store selling goods that are not on any shopping lists would generate few externalities, while a department store that carried many goods on the average shopping list generates many externalities. Breuckner extends this rationale and formally shows that the rental for any retailer is dependent on the sales volume per metre the retailer achieves, and also on the sales that other tenants generating externalities achieve. The implication of Breukner’s theoretical work is that owners/managers must optimize inter-retailer externalities to maximize centre total rents.
2.5.5 Inter-action effects

According to Bean, Noon, Ryan and Salton (1988) two features of the tenant mix problem lend complexity to its formulation. One is the presence of “interaction effects” between stores of the same type; each store’s sales depend on the number of other stores similar to it in the mall. Consumers are drawn to a mall by a balance of variety and homogeneity of merchants. One desiring a large selection of a particular item may be attracted to a mall containing several stores stocking that item. For example, if a mall consists of several shoe stores, it will be perceived as a place to shop for shoes. A tenant mix for a regional mall is designed to attract both customers. As the number of stores in a category (for example, shoes) increases, the return for each store initially grows. At some point, this gain diminishes or even becomes negative as the stores begin to compete. To use interaction effects to their maximum advantage, the tenant mix should contain enough of each type of tenant but not too many.

2.6 Locating the shopping centre in a trade area

The earliest attempts to employ research in evaluating sites for retail stores date back about half a century. The seminal context of studies performed by Applebaum (1965) and Jones (1970) during the late sixties and early seventies are still valid today. Store location research, both as an academic field and practical area of enquiry, owes much to the formative work of Applebaum (1965). Centre location research is essentially concerned with identifying the ideal position and site for a new shopping centre. The term ‘location’ means both a broad geographical reference point and the precise piece of land to be occupied.

A trade area is the geographic sector from which the sustaining patronage for steady support of a shopping centre is obtained. The boundaries are determined by a number of factors, including the nature of the centre itself,
accessibility, physical barriers, location of competing facilities, and limitations of driving time and distance (McCollum, 1988).

Once the total trade area is established, the researcher subdivides it into zones. Centre location analysis frequently subdivide a centre’s trade area into primary, secondary and tertiary (Applebaum, 1966), defined as follows:

Primary zone
The geographical area from which the centre will derive its greatest share of recurring sales and is usually no more than a ten minute drive by car at the furthest point. It encompasses 60 to 80 percent of a centre’s customers.

Secondary zone
Contains an additional 15 to 20 percent of the centre’s customers. It is located outside the primary area and is no more than 15 to 20 minutes by car to the site.

Tertiary zone
The outermost ring or fringe trade area which includes all the remaining customers who are most widely dispersed.

2.7 Locating the tenant within the shopping centre

The location of tenants within a shopping centre is just as important as the selection of the correct tenant type. The manner in which many owners/managers have in the past located stores within the centre is done so using “gut feel” or “rule of thumb” at best.

Location is by no means a simple task. Some stores flourish in so-called dead spots while others just whither away. From this apparent contradiction much can be learnt about the reasons for locating one type of tenant in a particular area and another type of tenant in a completely different area of the centre.
This type of problem appears to be far more acute in the larger centres than in the smaller centres whose tenant mix requirements are far less complex essentially focusing on convenience shopping. Subtle location of tenants within these types of centres must not be neglected.

Consumer principles
The role of retail compatibility as pronounced by Nelson (1958) in his classic work states simply that two businesses that are compatible although competition will do better side by side, all things being equal, than they would in isolation.

Although it can be seen that a synergy can be created by compatible businesses there are certain factors that can reduce this interchange between the two types of businesses. The major cause being the interruption of pedestrian flow because of:

- Dead spots in which shoppers lose interest in going any further e.g. dead frontage.
- Physical breaks.
- Cross traffic.
- Areas which are identified with hazard, noise and unsightliness congested areas.

2.7.1 Location principles

Anchor tenants
These are the major traffic generators and thus should be placed where they will draw the maximum amount of people past the satellite shops, who in themselves do not generate traffic, but rather are generally traffic users.
Satellite tenants
Certain personal service and institutional tenants like beauty shops and banks do not require prime locations to generate business since customers will seek them out.

The satellite stores must be located in such a way that the centre has a logical layout. According to Jones (1970) the following types of tenants are considered compatible:

- Men’s stores: clothing, shoes, haberdashery, sports goods.
- Women’s stores: clothing, shoes, sports, children’s clothes, toys.
- Food stores: small specialised food shops, e.g. health foods, delicatessen, confectionery, fish shops.
- Hardware stores: hardware appliances, radio, television, records, musical instruments.

Other location principles:

The science of space management is still very much in its infancy. This comprises such well-known rules of thumb as:

- Place the anchor stores at opposite ends of the centre and line the intervening space with smaller independent stores.
- Ensure that the main entrances and anchor stores are sufficiently far apart to pull shoppers past the unit shops.
- Avoid cul-de-sacs if possible as they inhibit the free flow of customers.
- Place service stores on the side malls close to the entrances and exits.
- Keep pet shops and dry cleaners away from food shops, and food shops separate from outfitters.
- Achieve an even distribution of shoppers in multi-level centres through judicious placement of escalators and eating facilities and the manipulation of the floor at which shoppers enter the shopping centre.
The supermarket should be at one end of the centre so that the adjacent parking spaces are not taken by shoppers doing long term shopping. Chemists should be located close to good parking space, preferably near to the access road. Clothing, shoe and related stores should be near an anchor, preferably a department store. The department store should be near the supermarket, but if the department store has no restaurant, one should be located nearby. Service shops should not be placed so as to monopolise the best parking spaces, nor should they interrupt the continuity of shop frontages.

When considering location, one must always bear in mind the various constraints and requirements of specific tenant types, e.g. restaurants require internal toilet facilities, dry-cleaners require extra cooling facilities.

The provision and location of restaurants, for example, was once deemed relatively unimportant. Today, however, the first-floor food court is as much a shopping centre cliché as the atrium, the water feature and the glass-sided lift (Jones, 1970).

There has long been a debate over the efficacy of placing similar types of stores, such as fashion or food retailers, in close spatial proximity within the centre. It is recommended separating similar shop types in order to maximise shopper movement within the centre, and achieve exposure to the wares of the centre, however it is also recommended to cluster compatible shop types in order to ease the shoppers’ task and enable certain areas of the centre to become magnets in their own right (Darlow, 1972). A zonal compromise between the two extremes has also been suggested (Orchard-Lislie, 1985) and this appears to be the preferred approach at 2013.

### 2.8 Managing tenant mix

Most often shopping centres have not been developed to be managed; but rather have been developed to be sold, and bought to be a relatively safe investment of funds for long term returns. Management came as an
afterthought, and one regarded chiefly as maintenance and protection. More recently, management has come as a response to increasing competition, and to the desire for clearer or greater short-term asset performance.

When managing the tenant mix of a retail property such as a shopping centre, managers need to develop an effective business model for tenant location, tenant selection and the structure of lease agreements so as to create value, increase the brand value of the property rentals and achieve long-term stability in the value of discounted cash flows given various uncertainties (McGoldrick and Thomson, 1992).

Abratt, Fourie, and Pitt (1985) provide a list of the objectives and principles of tenant mix available. They rely on the definition provided by Kaylin (1973): Tenant mix refers to the combination of business establishments occupying space in a shopping centre to form an assemblage that produces optimum sales, rents, service to the community and financiability of the shopping centre venture.

An “ideal” tenant mix strives to achieve:

- A balanced diversification of shops in the centre by offering a wide range of products and services.
- A specific image for the centre.
- Maximum image for the centre.
- Maximum pedestrian flow.
- Maximum sales potential.
- Synergy between the satellite tenants.
- Logical layout of shops.
- Pleasant shopping environment.
- Enough variety to create the maximum attractiveness to the population of that specific trading area.
- Maximum return on investment.
Taken from the perspective of a leasing manager, a good tenant mix is described as a variety of stores that work together to enhance the centre’s performance and operate successfully as individual businesses. These descriptions of tenant mix stress the underlying objective of maximising shopping centre profitability and are therefore investor-orientated. They identify the key to maximising profitability, which is maximisation of sales through provision of the optimum service to the community (Greenspan, 1987).

The prerequisite for successful management of retail tenant mix in any centre is monitoring its performance, that is, the level of profit achieved by its retailers and the implications for the centre’s rental income and capital value. Greenspan (1987) advocated the constant monitoring of sales performance, competition and demographics for this purpose. Greenspan also suggested continual manager-tenant communication to allow managers to understand tenants’ business needs. In addition Greenspan (1987) advocated proactive management of the tenant mix.

According to Dawson (1983), tenant mix considerations revolve around two major questions: the number, nature and size of the stores within the centre; and the placement of these stores relative to each other and the points of entry into the complex through the availability of sophisticated databases. By collecting and analyzing information regarding retail trends within the centre and its catchment area, an appropriate assemblage of tenants can be formulated over time, be it for a festival mall, retail warehouse park or traditional town centre shopping complex. This ‘optimum’ mix is usually subject to substantial subsequent modification thanks to the intercession of the funding institutions, the demands of the anchor stores, the availability of tenants and the overall state of the property market (Dawson, 1983).

Just as the difficult decisions concerning the number and nature of centre occupants have been expedited by the technological advances, so too has an appreciation of the significance and subtleties of tenant placement. However a shortage of qualifying tenants in the retail property market will certainly test
owners/ managers determination to wait for the right tenants rather than resort to space-filling tactics (Morgan and Walker, 1988).

2.8.1 The proactive management debate

The relationship between shopping centre and the retailers should be a symbiotic one. Sim and Way (1989) state “the success of any shopping centre is dependent on the success of its retailers, which in turn depends on the numbers of shoppers who pass by their shops”. Thus, successful retailers are willing to pay higher rents for the privilege of occupying the retail space which is contributing to their success. High rents mean more returns for the shopping centre. Further, the quantity of shoppers attracted to the centre Sim and Way (1989) adds a quality factor. This factor is much harder to quantify, but can be said to be a product of disposable income and propensity to spend. The prime function of the shopping centre manager is to attract numbers of the right sort of shopper into the centre. How they are then induced to enter a shop, make a purchase, and be satisfied with the purchase and the service they receive is up to the retailer.

Retailer mix, which many commentators believe to be the single most important factor in a shopping centre’s success (Abratt, Fourie, and Pitt, 1985), is an issue where demarcation lines are less well drawn. Should a centre manager have the power and authority to dictate the mix precisely, or should his/her role be a broad, strategic, guiding one? Should a centre manager be able to evict a retailer to change the mix where demographic forecasts suggest this would be prudent? Should the change of a retailer mix over time be planned or organic? Notwithstanding the centre manager’s responsibilities, it is the ultimate responsibility of the retailers in a centre to govern retailer mix.

In a mature centre, the only mix variables a centre manager can influence are the recruitment of new retailers, the eviction of existing ones, or the exchange of one for another when a retailer decides to leave the centre. Eviction could only be on the basis of performance or personal whim. Making the assumption that a lessee retailer should be protected from whim, we are left with
performance. However, is this not self-regulating? A retailer who has no customers will change some aspect of his marketing or product mix, change his location, or go out of business.

In the above context it assumes that demand for space in a centre exceeds supply. Many retailers will no doubt point to centres which remain unfilled, and where managers take any applicant eagerly with no thought to overall mix or positioning. In a centre which is for some reason faulty, or in a district where overcapacity exists, managing the mix becomes less important than filling the spaces.

2.9 Marketability of the shopping centre

Brueckner (1993) suggests that the contribution that tenant image makes to the externality generating ability of the shopping centre’s stores is of utmost importance. Also that superior image and tenant mix of planned centres contribute considerably to a centre’s success and can destabilize existing retail communities. Analyses by Nevin and Houston (1980) and other research are supportive of this notion. They also find that tenant mix is important to the overall enjoyment of the shopping experience.

Shopping centre attractiveness
With the growth of the shopping centre industry, where various new shopping centres were built and millions of square meters of retail space were added to existing shopping centres each year (Berman and Evans, 2010), many academic studies were carried out to cover different aspects of shopping centres. The relationship between the shopping centre managers and tenants was one of the aspects addressed by Kirkup and Rafiq (1994). The starting point was that some shoppers were attracted to shopping centres due to purely economic motives while others were attracted due to emotional motives. Multi-purpose shoppers had a combination of these motives (Ruiz, 1999). For example, Bodkin and Lord (1997) concluded that the most important reasons for selecting shopping centres were convenience, presence of a specific store
in the shopping centre, services and prices. Nicholls, Mandokovic, Roslow and Kranendonk (2000) found that Chilean consumers’ shopping centre visits were driven primarily by purchasing. Consumers in the US visited their shopping centre for more diverse reasons, largely revolving around entertainment. Bloch, Ridgway and Dawson (1994) examined the effect of shopping centre physical environment on consumers’ emotional states and found that shopping centres were viewed by consumers as a place not only for shopping, but also for other activities, such as entertainment. Terblanche (1999) studied the impact of four dimensions on shopping centre patronage, namely, functional, recreational, socializing and convenience. Terblanche found that recreation appears to be the major benefit pursued by shoppers that patronize a super regional shopping centre. In addition to the effect of shopping centre’s internal attributes on patronage, other attributes such as travel components that include comfort, reliability of transport mode, effort, tension, distance and value were significant in affecting shopping centre’s patronage (Ibrahim, 2002).

Shopping centre managers need to recognize that a shopping centre image can be managed, promoted and improved (Kupke, 2004). Although, the concept of ‘branding’ is well known in consumer products, Dennis et al. (2002b) demonstrated that techniques of brand image measurement can be used for shopping centres and can help towards customer satisfaction and commercial success for shopping centres.

### 2.10 Approaches to tenant mix management

Determining an optimum tenant mix for a new shopping centre is a very complex and intricate problem. A well documented approach is best used as guidance to achieving a good tenant mix.

Previous approaches to achieving this vary from plain common sense (Greenspan, 1987) to mathematical models.
A mathematical approach formulating non-linear integer programming including tenant interaction effects is proposed by Bean, Noon, Ryan and Salton (1988). Seagle (1967) presents a linear programming model for the tenant mix problem. Seagle’s approach finds the allocation of square meters to each tenant class that maximizes the total present value of the shopping centre. Jensen (1980) approaches the tenant mix problem with a mixed-integer programming model which solves for both space allocation and numbers of tenants selected within a tenant class. Conceptually, rentals paid by retail tenants are a function of business fundamentals. Hence a business plan approach suggests that tenants will pay what they can afford. A shopping centre owner/manager should thus seek those tenants that may be expected to generate the greatest business success through reviewing independent retailer’s business plans (Volk, 1992).

The fact that successful retailers normally demand long-term leases gives further credence to the argument that obtaining the ‘ideal’ tenant mix from the outset through a scientific method, is preferable to having only common sense on which to rely. Hazel (1992) claims that filling a vacancy in a centre with a tenant that will not last benefits no one.

2.11 Chapter summary

This chapter has synoptically outlined the evolution of the shopping centre and guidelines in use for describing shopping centres. The changing role of the shopping centre in the economy has been discussed, which alludes to the need to adopt methodical management approaches and a mind shift in the way shopping centres will compete in the future.

Various means of dividing the body of tenants have been examined with a view to using such tenant divisions in a methodical approach to managing the tenant mix.
The geographical positioning of the shopping centre and Applebaum’s methods have been reviewed. Furthermore the spatial location of the tenants within the centre has been addressed as a matter of tenant mix importance.

In an increasingly competitive market, shopping centres are facing a greater need for effective marketing to entice both retail tenants and consumers. All centres in future will need an attractive and differentiated offer to survive and will not be able to afford design or location weaknesses.

A need for proactive management of shopping centres by managers and tenants has been discussed. Literature shows a need to move beyond a adversarial/bargaining relationship onto a collaborative partnership, where centres compete for shoppers through continuous monitoring of performance and other retail information.

This chapter has discussed competition and maturation in the shopping centre industry and shown the increased need for customer-focused marketing. The nature of shopping centre marketing is gradually being shaped as managers learn that shopping centres can be marketed in a way that other products and services are. A shopping centre is a product with strong service content, brand qualities do exist in shopping centres.

In the next chapter the research methodology adopted will be discussed.
Chapter 3

Research methodology and analysis of classification data

3.1 Introduction

The primary goal of research is to contribute new information to the currently accepted body of knowledge in a particular field. This process usually starts with a simple question or problem in the researcher’s mind. Research must be conducted to accepted standards and norms. The culture of research follows specific guidelines and methods to ensure quality of data and acceptability of findings across the research community globally. Careful planning is paramount (Mouton, 2003).

Leedy and Ormrod (2005) describe research as a “systematic process of collecting, analysing and interpreting data”. In this chapter the research methodology is described.

3.2 Research design

Leedy and Ormrod (2005) refer to research design as the strategy for solving the research problem. Saunders, Lewis and Thornhill (2006) state that it is a general plan of what action the researcher will take to answer the research problem. The plan includes the procedures the researcher will follow, the data that will be collected and the data analyses that the researcher will conduct. Success is guaranteed if objectives, derived from the research question, are stated clearly, resources from which data are collected are specified, and the constraints that the researcher might encounter are considered. Whereas strategy refers to the overall approach by the researcher, tactics are concerned with the finer detail of data collection methods and the subsequent analysis.
The general research procedure is fundamentally the same in all academic disciplines, however the method of data collection and data analysis may differ to suit the problem being researched. Researchers should therefore be able to choose the most viable research problem and in the event consider all the kinds of data that the investigation will require and a feasible way of collecting and interpreting the data (Leedy and Ormrod, 2005).

The descriptive research method was the most suitable design structure for this study. It describes the situation as it is and enables the researcher to identify and describe the variability of different phenomena such as attitude, beliefs and behaviour. Attitude variables record how respondents feel about something. They differ from belief variables, which record what respondents think or believe is true or false. Behavioural variables record what respondents do, whereas attribute variables include characteristics such as age, gender, marital status, education, occupation and income (Saunders, Lewis and Thornhill, 2006).

This method enabled the researcher to make some inferences about what particular approaches to management within shopping centres were adopted to implement strategy and to further make inferences about what the person applying the strategy thought the desired objectives were.

3.3 Treatment of data

Data collection

All research involves some form of data collection. Careful planning and management of data will avoid data becoming a barrier to the research project. It is vital that the researcher has a clear understanding of the different types of data, the different approaches to, methods of, and specific techniques of data collection (Lancaster, 2005).
Leedy and Ormrod (2005) suggest that researchers, in their approach to data collection, should answer the following four questions:

- What data is needed?
- Where is the data located?
- How will the data be secured?
- How will the data be interpreted? At this point the researcher must carefully consider how the research problem was worded and must be able to use the data.

Mouton (2003) supports this view. Mouton explains that if wrong or invalid data are collected, then no amount of subsequent analysis can rescue the project.

Modes of data collection include face-to-face interviews, telephone interviews and questionnaires. Three methods used for data gathering in this study were:

- A literature review.
- Face-to-face interviews.
- Questionnaires.

The questionnaire, accompanied by a covering letter, was delivered to respondents either physically or via email.

Data analysis

Data analysis is the process of turning the data into information. This information is further used to develop concepts, theories, explanations or understanding, which in turn can be used to identify and select the most applicable technique of data analysis (Lancaster, 2005).

Lancaster (2005) identifies four processes involved in data analysis, namely:

- Distillation.
Distillation
Distillation is the process whereby large amounts of data are distilled into forms that are more readily managed and absorbed. Inappropriate data are discarded.

Classification
Classification involves grouping of data into categories that allow the researcher to see what factors are involved and potentially what the data means. Through this process the researcher develops a logical structure within the research paper.

Identification
Identification helps the researcher to establish causes and/or relationships.

Communication
The first three processes allow the researcher to communicate research findings and their meaning to other people.

Since there are various approaches and techniques to data analysis, it is important that the researcher decides at the planning stage of the project which approach and technique will be followed.

3.4 Questionnaire design

Gillham (2008) explains that questionnaires are just one of a range of ways of getting information from people. Questions need to be well-structured, meaning that the researcher determines which questions need to be asked, and the range of answers that can be given. Lancaster (2005) suggests that researchers should consider the following key aspects when designing a questionnaire:
• The range and scope of questions to be included.
• Question types, for example open-ended or closed questions.
• Contents of individual questions.
• Question structure.
• Question wording.
• Question order.

Visual layout of a questionnaire is important since it can have an impact on the response rate. Thompson (2004) describes questionnaire layout as the visual impact of the questionnaire. Thomas further suggests the following rules when designing a questionnaire. A questionnaire should:

• Be visually attractive. It must be eye-catching and have a businesslike appearance. The aim is to have an uncluttered look.
• Look short. Questions should be grouped into sections and be numbered within sections to reduce the impression of there being many questions.
• Look interesting. The main problem that researchers face is to get people to complete the questionnaire. It is advisable that the first question grabs the people’s attention even if the information that it asks for is not really required. Sensitive questions should be located at the end of the questionnaire.
• Be easy to complete. Instructions as to how answers must be answered; for example tick, select from the following list, and so on must be clear and unambiguous.
• Be easy to return.

For the purpose of this study, all questions were closed with the exception being question seven. Question seven requested the respondent to enter the first store brand name that entered their mind (top-of-mind concept), when given certain prompts. Closed questions varied from Likert type questions to ranking questions. The questionnaire was internet based feeding data directly to the Nelson Mandela Metropolitan University’s (NMMU) research databases.
The questionnaire was designed using the NMMU’s online research tools facility (see figure 3.1). For the most part the questionnaire could be completed using the mouse device alone. All data responses were supplied in drop down list or check boxes.

Figure 3.1 Web survey questionnaire sample view

Source: Online web survey screenshot

The face-to-face interviews revealed that confidentially of data would be of concern. The electronic database gave respondents better peace of mind that their supervisors or centre managers would not be able to access the data. A letter guaranteeing both the interviewees as well as the respondents confidentially was issued prior to both processes to enable data collection to proceed. The guarantee bearing the NMMU’s name and the promoter’s signature was well accepted by all participants.
3.5 Face-to-face interviews

Prior to the pilot the researcher conducted face-to-face interviews with all the participating shopping centre owners/managers. All interviews were conducted using the same format as follows:

- Brief the interviewee on the purpose and method of the research.
- Explain the methods of data collection and the strategy to achieve confidentiality of the respondents and the shopping centre.
- Collect data regarding the research.
- Request participation in the pilot study.

The researcher stressed that the emphasis of the research data would be on management strategies and approaches to managing tenant mix and that the sample population would focus on strategy makers and/or implementers.

The data to be collected was discussed as follows:

- What the shopping centre regarded the most important key performance indicators to be and what other key performance indicators were monitored.
- Methods used to gather data in assessing key performance indicators.
- What environmental factors were regarded as being important to the shopping centres management approach.
- Which environmental factors were regarded as being variable and thus manageable and which environmental factors were regarded as fixed.
- What management approaches were currently being implemented.

3.6 Pilot study

The purpose of a pilot study is to simulate the main study. Fewer people, representing the final target group are involved (Gillham, 2008). This will ensure
that respondents will have no problems in answering the question and there will be no problems in recording the data. It also allows the researcher to test the validity and usefulness of the questions and determines the response rate.

Researchers can also consult with an expert or a group of experts to comment on the representativeness and suitability of the questions prior to the pilot study. This will allow the researcher enough time to make the necessary changes. Each completed pilot questionnaire should be checked thoroughly to ensure that respondents understood all the questions (Saunders, Lewis and Thornhill, 2006).

According to Gillham (2008) indicators that questions were misunderstood include:

- A low level response rate.
- Ambiguity of questions meaning or how respondents are expected to respond.
- Omitted responses.
- Incomplete, crossed-out or blank responses.
- Frequent comments such as ‘not applicable’ or extra options added to a list.

The respondents used in the pilot study for this study included five shopping centre managers, two tenants and a statistical analysis expert. The pilot study was conducted via the online questionnaire in a test mode. The pilot study indicated the time required to complete the survey was between twelve and fifteen minutes. Almost all questions could be completed using the mouse device only. The researcher then individually consulted the participants in the pilot study to obtain feedback.

Recommended changes included omission of some ambiguous wording, two data lists being incomplete and two data lists being inadequate. The ambiguous wording was rephrased. Additional data was added to complete the two
incomplete lists. An open box was included to allow respondents to add extra data thus accommodating for the inadequate data lists.

A letter of confidentially (see Annexure 2), a covering letter (see Annexure 1) explaining the research being conducted and the questionnaire (see Annexure 3), was prepared in an electronic format. The questionnaire was accessed through an electronic link that was individually emailed to each respondent together with the electronic letters. During face-to-face interviews held with each participating shopping centre owner/manager. It was agreed that the shopping centre managers would email the access links to each of his/hers tenants. Where required the researcher made hard copies available on request from the shopping centre owner/manager. On completion of the online questionnaire an automatic thank you response was pre-programmed into the questionnaire thanking all respondents for their time in participating. Since the response data was completely anonymous, respondents who completed paper copies could not be thanked individually. The researcher thanked the shopping centre owner/manager and requested the thanks be passed on to the participating tenants.

3.7 Sample population

Since it is not always possible for a researcher to study an entire population, a subset or sample of the population under study is selected. The sample should be truly representative of the entire population to enable the researcher to make inferences of that population (Leedy and Ormrod, 2005). This view is supported by Lancaster (2005), who states that confidence in the results rests on the size and representativeness of the sample.

Thompson (2004) explains that there are two general methods of sampling; namely probability and non-probability methods. For the purpose of this study only the probability methods will be mentioned.
In probability sampling, all units of a population have an equal chance of being selected. Representativeness of the entire population is achieved by randomly selecting units from the population. Thompson (2004) and Leedy and Ormrod (2005) identify four methods of probability sampling, namely; simple, systematic, stratified and cluster sampling. In simple random sampling every member has an equal chance of being selected. In systematic sampling individuals are selected according to a predetermined sequence. Stratified sampling involves using known characteristics of the population during sampling to increase the likelihood that the sample will be representative. Cluster sampling (also known as area sampling) is used when no complete sampling frame exists or when it is difficult for the researcher to create one. The population under study is then divided according to geographical area or other traits such as race, age and gender.

For the purpose of this study, the cluster sampling techniques was used; the representative sample consisted of 71 tenants of 13 shopping centres as defined by the South African Council of Shopping Centres within the Nelson Mandela Metropole, specifically the Port Elizabeth area.

### 3.8 Likert scale

The Likert scale was used to find out how strongly the respondents agree or disagree with the statements. The Likert scale used was a five point scale ranging from “strongly agree” to “strongly disagree”. Saunders, Lewis and Thornhill (2006) recommend that both positive and negative questions are included to ensure that correspondents read the questions carefully and think about which box to tick
3.9 Sample composition and categorisation

3.9.1 Overall response rate

Out of a possible total of 811 tenants, 71 completed questionnaires were returned. This total makes up 8.8 percent of the possible total of responses. Non-responses constituted 91.2 percent of the total sample.

The bulk of non responses could be attributed to the following issues:

- Two of the shopping centres decided not to participate.
- As mentioned in the literature review, the adversarial relationship between shopping centre management and tenants leads to a mistrust relationship which results in retail data being withheld.

3.10 Analysis of classification data

Respondents were asked to indicate their tenure, gender, age group, shopping centre and education level in the field.

3.10.1 Responses according to tenure

The majority of respondents had less than five years of tenure, however up to fifteen years of tenure the distribution was even with 26.8 percent being 0-5 years, 21.1 percent being 6-0 years and 25.3 percent being 7-15 years. The least amount of tenants had 16-20 years tenure, however a large proportion of tenants were of an ageing demographic, 18.3 percent being greater than 20 years tenure.
3.10.2 Responses according to gender

The majority of respondents were female who constituted 40 percent of the total sample population. Male respondents contributed 31 percent to the population.
3.10.3 Responses according to age group

The majority of respondents were in the age group 31-50 years. The age group 18-30 years had 18.3 percent, with 29.6 percent between 31-40 years, 29.6 percent between 41-50 years and 14.1 percent between 51-60 years and 8.5 percent of the sample population being over 60 years of age.
3.10.4 Responses according to shopping centre

Responses according to shopping centre association have been omitted in accordance with the confidentiality arrangements discussed with participating shopping centre owner/manager.
3.10.5 Responses according to education level

The majority of respondents at 39.4 percent had acquired their education in the retail industry through experience. The most significant group were those respondents that had completed a diploma level. The third greatest group 21.1 percent had received no education in the retail, 7 percent of respondents had a certificate level, 2.8 percent had a degree level education and 2.8 percent had a Masters level education. No respondents had a Doctorate level education.

Table 3.4 Responses according to education level

<table>
<thead>
<tr>
<th>Cat. Description</th>
<th>Category</th>
<th>COUNT</th>
<th>CUMULATIVE COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>7.04</td>
</tr>
<tr>
<td>Diploma</td>
<td>2</td>
<td>19</td>
<td>24</td>
<td>26.76</td>
</tr>
<tr>
<td>Degree</td>
<td>3</td>
<td>2</td>
<td>26</td>
<td>2.82</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>4</td>
<td>2</td>
<td>28</td>
<td>2.82</td>
</tr>
<tr>
<td>Doctorate</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Experiential</td>
<td>6</td>
<td>28</td>
<td>56</td>
<td>39.44</td>
</tr>
<tr>
<td>Not applicable</td>
<td>7</td>
<td>15</td>
<td>71</td>
<td>21.13</td>
</tr>
<tr>
<td>MISSING</td>
<td>0</td>
<td>71</td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Data according to survey question 1.5

Figure 3.5 Responses according to education level

Source: Table 3.4 data converted to pie chart
3.11 Chapter summary

The research methodology process followed was discussed in this chapter. The discussion included the theoretical research background, the research process and an analysis of the classification information of the respondents.

The methods of data collection employed were explained. The pilot study process was discussed and the need for the face-to-face interviews was discussed. The sample population and response rates were discussed and participation aspects were highlighted. The classification data were graphically presented and discussed.

In Chapter Five the results of the survey will be discussed. These findings, together with the biographical information will be used to draw conclusions and make recommendations with respect to the objectives of this study in shopping centres to manage tenant mix.
Chapter 4

Empirical results and data presentation

4.1 Introduction

In research we try to make sense of the world through numbers. We then summarize and interpret these numbers using statistics. Statistics allow us to find patterns and meaning in numerical data (Leedy and Ormrod, 2005).

The research methodology and the classification data were discussed in the previous chapter. In this chapter the response data are analyzed and presented. The data were collected according to the sections formatted into the questionnaire (Appendix 3). The following issues are addressed:

- Environmental data.
- Shopping centre attractiveness
- Target market.
- Tenant mix, theoretical aspect.
- Tenant mix status quo, current perceptions.
- Top of mind brands, tenant mix associative perceptions.
- Success measure.
- Success factors.

Data are collected from the major shopping centres as defined by the South African Council of Shopping Centres (2010), in the research area. This includes 13 shopping centres, 811 stores, an average foot count of 5,463,662 per annum, total number of parking bays (covered and uncovered) of 10,658 and a total Gross Leasable Area (GLA) of 279,741 square meters.
The data was analyzed by using computer programmes Excel and SPSS. With respect to the data presented in this chapter, the findings, recommendations and conclusions will be discussed in the following chapter.

4.2 Environmental data

In the context of the tenant / store manager the environmental data mostly identifies the fixed environment that is the non variable situation within which the tenant mix can be considered. This data is treated as classification data of the shopping centre as opposed to that of the respondent, as discussed in the previous chapter.

Respondents were asked to indicate their shopping centre size in terms of the number of stores present. Table 4.1 shows the responses by size groups.

Table 4.1 Responses according to shopping centre size

<table>
<thead>
<tr>
<th>Category</th>
<th>Cat.</th>
<th>COUNT</th>
<th>CUMULATIVE COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small 5-10</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Medium 11-20</td>
<td>2</td>
<td>11</td>
<td>11</td>
<td>15.49</td>
</tr>
<tr>
<td>Large 21-30</td>
<td>3</td>
<td>21</td>
<td>32</td>
<td>29.58</td>
</tr>
<tr>
<td>Super 31-40</td>
<td>4</td>
<td>11</td>
<td>43</td>
<td>15.49</td>
</tr>
<tr>
<td>Hyper &gt;40</td>
<td>5</td>
<td>27</td>
<td>70</td>
<td>38.03</td>
</tr>
<tr>
<td>MISSING</td>
<td>1</td>
<td>71</td>
<td>98.59</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 2.1

The majority of respondents indicated their centre size was ‘Hyper > 40’ (38 percent), with 30 percent indicating their centre size as ‘Large 21-30’, 15 percent indicating their centre size as ‘Super 31-40’ and 15 percent indicating
their centre size as ‘Medium 11-20’. There were no respondents who indicated a store size of ‘small 5-10’. (see table 4.1)

*Figure 4.1 Responses according to shopping centre size*

![Bar chart showing responses according to shopping centre size.](source)

*Source: Table 4.1 data converted to bar chart*

Respondents were asked to indicate their shopping centre type. Table 4.2 shows the responses by size groups.

*Table 4.2 Responses according to shopping centre type*

<table>
<thead>
<tr>
<th>Q2.2</th>
<th>Shopping centre type</th>
<th>Cat.</th>
<th>COUNT</th>
<th>CUMULATIVE COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This category provides data concerning the shopping center’s environment. Answer the following questions with particular reference to your shopping center; select the item which most accurately describes your shopping center.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neighbourhood Centre</td>
<td>1</td>
<td>33</td>
<td>33</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Community Centre</td>
<td>2</td>
<td>11</td>
<td>44</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Minor Regional Centre</td>
<td>3</td>
<td>4</td>
<td>48</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Part of Regional Centre</td>
<td>4</td>
<td>8</td>
<td>56</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Regional Centre</td>
<td>5</td>
<td>12</td>
<td>68</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>MISSING</td>
<td></td>
<td>3</td>
<td>71</td>
<td>96</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Data according to the survey question 2.2*
The majority of respondents indicated their centre type was a ‘Neighbourhood Centre’ (46 percent), with 16 percent indicating their centre type as a ‘Regional Centre’, 15 percent indicating their centre type as a ‘Community Centre’, 11 percent indicating their centre type as ‘Part of a Regional Centre’, and 5 percent indicating their centre type as a ‘Minor Regional Centre’ (see table 4.2).

Figure 4.2 Responses according to shopping centre type

![Bar chart showing counts for different centre types]

Source: Table 4.2 data converted to bar chart

Respondents were asked to indicate their accessibility in terms of vehicle traffic and parking. Table 4.3 shows the responses by size groups.
The majority of respondents indicated their accessibility in terms of vehicle traffic and parking to be, good (40 percent), with 30 percent indicating accessibility as adequate, 18 percent indicating accessibility as excellent, 9 percent indicating accessibility as poor and no-one indicating very poor accessibility (see table 4.3).

Table 4.3 Responses according to accessibility in terms of vehicle traffic and parking

<table>
<thead>
<tr>
<th>Category</th>
<th>COUNT</th>
<th>CUMULATIVE COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Very poor</td>
<td>1</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>2. Poor</td>
<td>2</td>
<td>7</td>
<td>9.86</td>
</tr>
<tr>
<td>3. Adequate</td>
<td>3</td>
<td>22</td>
<td>30.99</td>
</tr>
<tr>
<td>4. Good</td>
<td>4</td>
<td>29</td>
<td>40.85</td>
</tr>
<tr>
<td>5. Excellent</td>
<td>5</td>
<td>13</td>
<td>18.31</td>
</tr>
<tr>
<td>Missing</td>
<td>0</td>
<td>71</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 2.3

The majority of respondents indicated their accessibility in terms of vehicle traffic and parking to be, good (40 percent), with 30 percent indicating accessibility as adequate, 18 percent indicating accessibility as excellent, 9 percent indicating accessibility as poor and no-one indicating very poor accessibility (see table 4.3).

Figure 4.3 Responses according to accessibility in terms of vehicle traffic and parking

Source: Table 4.3 data converted to pie chart
Respondents were asked to indicate their shopping centre’s layout in terms of foot traffic and flow through the centre. Table 4.4 shows the responses by size groups.

Table 4.4 Responses according to shopping centre’s layout in terms of foot traffic and flow through the centre

<table>
<thead>
<tr>
<th>Q2.4</th>
<th>Shopping centre’s layout in terms to foot traffic and flow through the centre.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This category provides data concerning the shopping center’s environment. Answer the following questions with particular reference to your shopping center, select the item which most accurately describes your shopping center.</td>
</tr>
<tr>
<td>Category</td>
<td>COUNT</td>
</tr>
<tr>
<td>Very poor</td>
<td>1</td>
</tr>
<tr>
<td>Poor</td>
<td>2</td>
</tr>
<tr>
<td>Adequate</td>
<td>3</td>
</tr>
<tr>
<td>Good</td>
<td>4</td>
</tr>
<tr>
<td>Excellent</td>
<td>5</td>
</tr>
<tr>
<td>MISSING</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 2.4

The majority of respondents indicated their shopping centre’s layout in terms of foot traffic and flow through the centre to be, good (45 percent), with 23 percent indicating adequate foot traffic and flow through the centre, 14 percent indicating excellent foot traffic and flow through the centre, 12 percent indicating poor foot traffic and flow through the centre and 1 percent indicating very poor foot traffic and flow through the centre (see table 4.4).
Respondents were asked to indicate their shopping centre's layout in terms of shape. Table 4.5 shows the responses by size groups.

Table 4.5 Responses according to shopping centre layout

<table>
<thead>
<tr>
<th>Category</th>
<th>Category</th>
<th>COUNT</th>
<th>CUMULATIVE COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>L-shaped</td>
<td>1</td>
<td>16</td>
<td>16</td>
<td>22.53521127</td>
</tr>
<tr>
<td>cruciform shaped (+)</td>
<td>2</td>
<td>13</td>
<td>29</td>
<td>18.30985915</td>
</tr>
<tr>
<td>Concentric</td>
<td>3</td>
<td>11</td>
<td>40</td>
<td>15.49295775</td>
</tr>
<tr>
<td>T-shaped</td>
<td>4</td>
<td>6</td>
<td>46</td>
<td>8.450704225</td>
</tr>
<tr>
<td>Open strip</td>
<td>5</td>
<td>19</td>
<td>65</td>
<td>26.76056338</td>
</tr>
<tr>
<td>MISSING</td>
<td>6</td>
<td>71</td>
<td></td>
<td>91.54929577</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 2.5

The majority of respondents indicated their shopping centre’s layout in terms of shape to be, open strip (26 percent), with 22 percent indicating their shopping centre’s layout to be L-shaped, 18 percent indicating their shopping centre’s...
layout to be cruciform shaped (+), 15 percent indicating their shopping centre’s layout to be concentric and 8 percent indicating their shopping centre’s layout to be T-shaped (see table 4.5).

Figure 4.5 Responses according to shopping centre layout

![Bar chart showing responses according to shopping centre layout](chart.png)

Source: Table 4.5 data converted to bar chart

Respondents were asked to indicate the most important factor in terms of decision making that let them renting in the shopping centre. Table 4.6 shows the responses by size groups.

Table 4.6 Responses according to decision to rent

<table>
<thead>
<tr>
<th>Q2.6</th>
<th>Decision making criteria, to rent.</th>
</tr>
</thead>
<tbody>
<tr>
<td>In terms of your decision making process that led to you renting in your shopping centre, choose the most important factor from the list provided</td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Category</td>
</tr>
<tr>
<td>Target market</td>
<td>1</td>
</tr>
<tr>
<td>Cost of rentals</td>
<td>2</td>
</tr>
<tr>
<td>Space being available</td>
<td>3</td>
</tr>
<tr>
<td>Shopping centre attractiveness</td>
<td>4</td>
</tr>
<tr>
<td>Tenant mix</td>
<td>5</td>
</tr>
<tr>
<td>Location within the centre</td>
<td>6</td>
</tr>
<tr>
<td>MISSING</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 2.6
The majority of respondents (37 percent) indicated target market to be the most important decision in terms of renting in the shopping centre, 21 percent indicated space being available, 18 percent indicated location within the centre, 12 percent indicated shopping centre attractiveness, 5 percent indicated tenant mix and 4 percent indicated cost of rentals as the most important decision in terms of renting in the shopping centre (see table 4.6).

4.3 Shopping centre attractiveness

The literature suggests that shopping centre attractiveness factors are those that entice the shoppers to the centre. A shopper can be influenced both consciously and sub-consciously to choose one centre over another due to several factors. The attractiveness factors are not universally applicable and should be matched to the primary catchment market of the particular centre (Lam, 2001).

Respondents were asked to rank the following 5 items, allocating 5 points to a 1st place response and 1 point to a 5th place response, in terms of shopping centre attractiveness. Table 4.7 shows the responses by size groups.
Table 4.7 Response according to shopping centre attractiveness

<table>
<thead>
<tr>
<th>Q3</th>
<th>Shopping centre attractiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statement</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Q3.1</td>
<td>Shopping centre layout, architecture and quality:</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Q3.2</td>
<td>Aspects such as coffee shops, atrium, areas to meet friends, areas to rest and relax:</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Q3.3</td>
<td>Functional aspects such as parking, entrances, toilet facilities, location of stores:</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Q3.4</td>
<td>Entertainment aspects such as cinemas playgrounds, activities, shows and displays:</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Q3.5</td>
<td>Convenience aspects such as one stop shopping and variety of offerings:</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question Q3.1 to Q3.5

The respondents indicated the following draw cards in terms of percentages according to shopping centre layout, architecture and quality: 29 percent 3rd place response, 23 percent 2nd place response, 16 percent 1st and 4th place responses and 12 percent 5th place response.

The respondents indicated the following draw cards in terms of percentages according to aspects such as coffee shops, atrium, areas to meet friends, areas to rest and relax: 32 percent 3rd place response, 23 percent 2nd place response, 22 percent 4th place response, 15 percent 5th place response and 5 percent 1st place response.

The respondents indicated the following draw cards in terms of percentages according to functional aspects such as parking, entrance, toilet facilities, and location of stores: 40 percent 4th place response, 22 percent 3rd place response, 20 percent 2nd place response, and 8 percent 1st and 5th place responses.

The respondents indicated the following draw cards in terms of percentages according to entertainment aspects such as cinemas playgrounds, activities,
shows and displays: 46 percent 1\textsuperscript{st} place response, 18 percent 2\textsuperscript{nd} place response, 14 percent 4\textsuperscript{th} place response, 12 percent 3\textsuperscript{rd} place response and 8 percent 5\textsuperscript{th} place response.

The respondents indicated the following draw cards in terms of percentages according to convenience aspects such as one stop shopping and variety of offerings: 35 percent 5\textsuperscript{th} place response, 18 percent 4\textsuperscript{th} place response, 16 percent 2\textsuperscript{nd} place response, 15 percent 3\textsuperscript{rd} place response and 14 percent 1\textsuperscript{st} place response (see table 4.7).

Using an inverse scoring system, allocating 5 points to a 1\textsuperscript{st} place response and 1 point to a 5\textsuperscript{th} place response the scores are as follows:

Table 4.8 Inverse scoring system summary according to shopping centre attractiveness

<table>
<thead>
<tr>
<th>Q3</th>
<th>Shopping centre attractiveness</th>
<th>Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3.1</td>
<td>Shopping centre layout, architecture &amp; quality.</td>
<td>224</td>
</tr>
<tr>
<td>Q3.2</td>
<td>Aspects such as coffee shops, atrium, areas to meet friends, areas to meet friends, areas to rest and relax.</td>
<td>200</td>
</tr>
<tr>
<td>Q3.3</td>
<td>Functional aspects such as parking, entrances, toilet facilities, location of stores.</td>
<td>196</td>
</tr>
<tr>
<td>Q3.4</td>
<td>Entertainment aspects such as cinemas playgrounds, activities, shows and displays.</td>
<td>270</td>
</tr>
<tr>
<td>Q3.5</td>
<td>Convenience aspects such as one stop shopping and variety of offerings.</td>
<td>182</td>
</tr>
</tbody>
</table>

Source: Data calculated from table 4.7 using inverse scoring system
4.4 Target market

In this section the respondents could choose more than one group to represent their target market hence the total counts vary.

Successful retailers understand the markets they serve and match their product mix to the needs and wants of their market. A market is an individual or group of individuals willing, able and capable of purchasing the stores products. This market specification and segmentation is referred to as the store’s target market (Hoffman et al., 2005).

Respondents were asked to indicate their target market in terms of age group. Table 4.9 shows the responses by size groups.
Table 4.9 Responses according to age groups

<table>
<thead>
<tr>
<th>Q4.1</th>
<th>Age groups</th>
<th>Answer the following questions with particular reference to your target market. Note you can select more than one item per statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Cat.</td>
<td>COUNT</td>
</tr>
<tr>
<td>Tweens 10–12 years</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Teens 13–19 years</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>Youth 20–25 years</td>
<td>3</td>
<td>39</td>
</tr>
<tr>
<td>Young adults 26–36 years</td>
<td>4</td>
<td>43</td>
</tr>
<tr>
<td>Adults 37–55 years</td>
<td>5</td>
<td>54</td>
</tr>
<tr>
<td>Old adults 56–65 years</td>
<td>6</td>
<td>35</td>
</tr>
<tr>
<td>Pensioners over 65 years</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>MISSING</td>
<td>0</td>
<td>225</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 4.1

The majority of respondents (24 percent) indicated adults 37 – 55 years, to be their target market, with 21 percent indicating young adults 26 – 36 years, 17 percent indicating youth 20 – 25 years, 16 percent old adults 56 – 65 years, 9 percent pensioners over 65 years, 8 percent teens 13 – 19 years and 5 percent tweens 10 – 12 years (see table 4.9).

Figure 4.8 Responses according to age groups

Source: Table 4.9 data converted to bar chart
Respondents were asked to indicate ethnic target market. Table 4.10 shows the responses by size groups.

Table 4.10 Responses according to ethnic groups

<table>
<thead>
<tr>
<th>Category</th>
<th>Cat.</th>
<th>COUNT</th>
<th>CUMULATIVE COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>1</td>
<td>13</td>
<td>0</td>
<td>18</td>
</tr>
<tr>
<td>Coloured</td>
<td>2</td>
<td>14</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>White</td>
<td>3</td>
<td>17</td>
<td>27</td>
<td>24</td>
</tr>
<tr>
<td>Indian</td>
<td>4</td>
<td>11</td>
<td>44</td>
<td>15</td>
</tr>
<tr>
<td>Asian</td>
<td>5</td>
<td>6</td>
<td>55</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>3</td>
<td>51</td>
<td>4</td>
</tr>
<tr>
<td>All</td>
<td>7</td>
<td>8</td>
<td>64</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>MISSING</strong></td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 4.2

The majority of respondents (24 percent) indicated a White target market, 19 percent indicated a Coloured target market, 18 percent indicated a Black target market, 15 percent indicated an Indian target market, 8 percent indicated an Asian target market and 4 percent indicated other target markets (see table 4.10).

Figure 4.9 Responses according to ethnic groups

Source: Table 4.10 data converted to bar chart
Respondents were asked to indicate income level target market. Table 4.11 shows the responses by size groups.

Table 4.11 Responses according to income levels

<table>
<thead>
<tr>
<th>Category</th>
<th>Cat.</th>
<th>COUNT</th>
<th>CUMULATIVE COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income</td>
<td>1</td>
<td>13</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Middle income</td>
<td>2</td>
<td>38</td>
<td>13</td>
<td>28</td>
</tr>
<tr>
<td>Above average income</td>
<td>3</td>
<td>37</td>
<td>51</td>
<td>27</td>
</tr>
<tr>
<td>High income</td>
<td>4</td>
<td>29</td>
<td>88</td>
<td>21</td>
</tr>
<tr>
<td>Affluent</td>
<td>5</td>
<td>19</td>
<td>117</td>
<td>14</td>
</tr>
<tr>
<td>MISSING</td>
<td></td>
<td>136</td>
<td>136</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 4.3

The majority of respondents indicated a middle class income level target market (28 percent), 27 percent indicated above average income level, 21 percent indicated a high income level, 14 percent indicated an affluent income level and 10 percent indicated low income level target market (see table 4.11).

Figure 4.10 Responses according to income levels

![Bar chart showing responses according to income levels]

Source: Table 4.11 data converted to bar chart

Respondents were asked to indicate shopping group target market. Table 4.12 shows the responses by size groups.
The majority of respondents indicated a lone female target market (28 percent), 27 percent indicated wife with children, 21 percent indicated a lone male target market, 14 percent indicated husband and wife/ couple target market and 10 percent indicated family unit with children target market (see table 4.12).

Table 4.12 Responses according to shopping group

<table>
<thead>
<tr>
<th>Category</th>
<th>Cat.</th>
<th>COUNT</th>
<th>CUMULATIVE COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family unit with children</td>
<td>1</td>
<td>13</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Lone female</td>
<td>2</td>
<td>38</td>
<td>13</td>
<td>28</td>
</tr>
<tr>
<td>Wife with children</td>
<td>3</td>
<td>37</td>
<td>51</td>
<td>27</td>
</tr>
<tr>
<td>Lone male</td>
<td>4</td>
<td>29</td>
<td>88</td>
<td>21</td>
</tr>
<tr>
<td>Husband and wife/ couple</td>
<td>5</td>
<td>19</td>
<td>117</td>
<td>14</td>
</tr>
<tr>
<td>MISSING</td>
<td>0</td>
<td>136</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 4.4

The majority of respondents indicated a lone female target market (28 percent), 27 percent indicated wife with children, 21 percent indicated a lone male target market, 14 percent indicated husband and wife/ couple target market and 10 percent indicated family unit with children target market (see table 4.12).

Figure 4.11 Responses according to shopping group

Source: Table 4.12 data converted to bar chart
Respondents were asked to indicate target market according to social status with respect to home and vehicle. Table 4.13 shows the responses by size groups.

Table 4.13 Responses according to social status with respect to home and vehicle

<table>
<thead>
<tr>
<th>Q4.5</th>
<th>Social status with respect to home and vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer the following questions with particular reference to your target market. Note you can select more than one item per statement</td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Cat.</td>
</tr>
<tr>
<td>Flat renter, public transport</td>
<td>1</td>
</tr>
<tr>
<td>House renter, public transport</td>
<td>2</td>
</tr>
<tr>
<td>Home owner single car family</td>
<td>3</td>
</tr>
<tr>
<td>Home owner two car family</td>
<td>4</td>
</tr>
<tr>
<td>MISSING</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 4.5

The majority of respondents indicated home owner single car family (31 percent) target market according to social status with respect to home and vehicle, 27 percent home owner two car family target market, 23 percent house renter, public transport target market and 19 percent flat renter, public transport target market (see table 4.13).
Respondents were asked to indicate tenant mix in terms of foot traffic, store category, in creating an ideal shopping centre five “must haves”, store category most frequented, complimentary stores in terms of sales, in terms of overall centre success and universal store category for shopping centre success. Table 4.14 shows the responses by size groups.
### 4.5 Tenant mix, theoretical aspect

Table 4.14 Summary table of responses according to questions Q5.1 to Q5.8

<table>
<thead>
<tr>
<th>Category</th>
<th>Cat.</th>
<th>Q5.1</th>
<th>Q5.2</th>
<th>Q5.3</th>
<th>Q5.4</th>
<th>Q5.5</th>
<th>Q5.6</th>
<th>Q5.7</th>
<th>Q5.8</th>
<th>Total count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage tenant</td>
<td>1</td>
<td>N</td>
<td>66</td>
<td>10</td>
<td>70</td>
<td>69</td>
<td>63</td>
<td>68</td>
<td>69</td>
<td>425</td>
</tr>
<tr>
<td>Pet store/retail store</td>
<td>2</td>
<td>N</td>
<td>27</td>
<td>7</td>
<td>19</td>
<td>24</td>
<td>27</td>
<td>58</td>
<td>18</td>
<td>178</td>
</tr>
<tr>
<td>Bakery/butchery/home industries</td>
<td>3</td>
<td>N</td>
<td>22</td>
<td>5</td>
<td>22</td>
<td>24</td>
<td>19</td>
<td>37</td>
<td>19</td>
<td>148</td>
</tr>
<tr>
<td>Book store/stationary store</td>
<td>4</td>
<td>N</td>
<td>17</td>
<td>0</td>
<td>15</td>
<td>18</td>
<td>23</td>
<td>31</td>
<td>19</td>
<td>123</td>
</tr>
<tr>
<td>Clothing/soft goods</td>
<td>5</td>
<td>N</td>
<td>43</td>
<td>15</td>
<td>49</td>
<td>52</td>
<td>51</td>
<td>13</td>
<td>54</td>
<td>277</td>
</tr>
<tr>
<td>Electronics/Computers/software</td>
<td>6</td>
<td>N</td>
<td>31</td>
<td>10</td>
<td>31</td>
<td>37</td>
<td>30</td>
<td>23</td>
<td>33</td>
<td>196</td>
</tr>
<tr>
<td>Entertainment/Amusement/theater</td>
<td>7</td>
<td>N</td>
<td>26</td>
<td>3</td>
<td>37</td>
<td>23</td>
<td>28</td>
<td>30</td>
<td>30</td>
<td>177</td>
</tr>
<tr>
<td>Financial institute</td>
<td>8</td>
<td>N</td>
<td>55</td>
<td>0</td>
<td>59</td>
<td>60</td>
<td>54</td>
<td>25</td>
<td>84</td>
<td>326</td>
</tr>
<tr>
<td>Furniture/household appliances</td>
<td>9</td>
<td>N</td>
<td>16</td>
<td>0</td>
<td>16</td>
<td>11</td>
<td>15</td>
<td>29</td>
<td>14</td>
<td>101</td>
</tr>
<tr>
<td>Gymnasium/health spa</td>
<td>10</td>
<td>N</td>
<td>10</td>
<td>1</td>
<td>8</td>
<td>4</td>
<td>9</td>
<td>30</td>
<td>4</td>
<td>66</td>
</tr>
<tr>
<td>Hair dresser</td>
<td>11</td>
<td>N</td>
<td>5</td>
<td>6</td>
<td>16</td>
<td>10</td>
<td>10</td>
<td>13</td>
<td>6</td>
<td>67</td>
</tr>
<tr>
<td>Hardware store/DIY store</td>
<td>12</td>
<td>N</td>
<td>7</td>
<td>1</td>
<td>6</td>
<td>11</td>
<td>6</td>
<td>28</td>
<td>5</td>
<td>64</td>
</tr>
<tr>
<td>Jewellery store</td>
<td>13</td>
<td>N</td>
<td>14</td>
<td>2</td>
<td>7</td>
<td>2</td>
<td>13</td>
<td>25</td>
<td>5</td>
<td>68</td>
</tr>
<tr>
<td>Medical/Dental/Optometrist</td>
<td>14</td>
<td>N</td>
<td>5</td>
<td>0</td>
<td>7</td>
<td>1</td>
<td>8</td>
<td>23</td>
<td>5</td>
<td>49</td>
</tr>
<tr>
<td>Music/video store</td>
<td>15</td>
<td>N</td>
<td>9</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>5</td>
<td>47</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>16</td>
<td>N</td>
<td>19</td>
<td>1</td>
<td>25</td>
<td>33</td>
<td>18</td>
<td>6</td>
<td>25</td>
<td>125</td>
</tr>
<tr>
<td>Post office/courier</td>
<td>17</td>
<td>N</td>
<td>8</td>
<td>3</td>
<td>9</td>
<td>16</td>
<td>8</td>
<td>22</td>
<td>8</td>
<td>74</td>
</tr>
<tr>
<td>Restaurant/coffee shop</td>
<td>18</td>
<td>N</td>
<td>44</td>
<td>5</td>
<td>50</td>
<td>48</td>
<td>45</td>
<td>10</td>
<td>51</td>
<td>253</td>
</tr>
<tr>
<td>Sports store</td>
<td>19</td>
<td>N</td>
<td>12</td>
<td>0</td>
<td>8</td>
<td>9</td>
<td>9</td>
<td>15</td>
<td>7</td>
<td>68</td>
</tr>
<tr>
<td>Toy/game store</td>
<td>20</td>
<td>N</td>
<td>13</td>
<td>1</td>
<td>7</td>
<td>8</td>
<td>14</td>
<td>16</td>
<td>6</td>
<td>65</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question Q5.1 to Q5.8
The respondents indicated the following total counts in terms of the top three tenant categories (according to tenant mix):

In terms of foot traffic there were 66 counts – anchor tenant, 55 counts – financial institute and 44 counts restaurant/ coffee shop.

In terms of store category there were 18 counts – anchor tenant, 15 counts clothing outfitters/ shoe stores and 10 counts – electronics/ computer software.

In terms of creating an ideal shopping centre five “must haves”, there were 70 counts – anchor tenant, 59 counts – financial institute, 50 counts restaurant/ coffee shop.

In terms of store category most frequented there were 69 counts – anchor tenant, 60 counts – financial institute, 52 counts – clothing outfitters/ shoe store.

In terms of complimentary stores in terms of sales, there were 68 counts – anchor tenant, 54 counts – financial institute, 51 counts – clothing outfitters/ shoe store.

In terms of overall centre success there were 68 counts – anchor tenant, 56 counts – art/ hobby/ craft store/ curio store and 37 counts – bakery/ butchery/ home industries.

In terms of universal store category for shopping centre success there were 66 counts – anchor tenant, 64 counts – financial institute and 54 counts – clothing/ outfitters/ shoe store (see table 4.14).
Figure 4.13 Responses according to tenant mix, theoretical aspect

Source: Table 4.14 data converted to spider chart

Figure 4.14 Responses according to tenant mix, theoretical aspect

Source: Table 4.14 data converted to spider chart
Figure 4.15 Responses according to tenant mix, theoretical aspect

Source: Table 4.14 data converted to spider chart

Figure 4.16 Responses according to tenant mix, theoretical aspect

Source: Table 4.14 data converted to spider chart
Figure 4.17 Responses according to tenant mix, theoretical aspect

Source: Table 4.14 data converted to spider chart

Figure 4.18 Responses according to tenant mix, theoretical aspect

Source: Table 4.14 data converted to spider chart
4.6 Tenant mix status quo, current perceptions

By observation of the data plots example a scatter diagram it is observed that the Likert scaled questions present normally distributed data.

Normal distribution

A scatter plot of normally distributed data takes on a familiar bell shaped curve. The mean is the expected variable and is represented by the Greek letter mu (μ). The mean (μ) is also the location of the peak on the bell shaped curve. The standard deviation is represented by the Greek letter sigma (σ) and sigma squared is the variance of the normally distributed data.

The normal distribution is considered the most prominent probability distribution in statistics. There are several reasons for this: Firstly, the normal distribution arises from the central tendency theorem, which results from respondents being indifferent or non committed to a specific point of view. This gives it exceptionally wide application in population sampling. Secondly, the normal

![Figure 4.19 Responses according to tenant mix, theoretical aspect](image)
distribution is very tractable analytically, that is, a large number of results involving this distribution can be derived in explicit form (Jaynes, 2003). For these reasons, the normal distribution is commonly used throughout statistics, the natural sciences, and the social sciences as a simple model for complex phenomena.

Approximately 68 percent of values drawn from a normal distribution are within one standard deviation $\sigma$ away from the mean; about 95 percent of the values lie within two standard deviations; and about 99.7 percent are within three standard deviations. This fact is known as the 3-sigma rule (Amari et al., 2000).

Although 99.7 percent of all data points lie within six ‘sigmas’ that is three standard deviations to the left hand side and three standard deviations to the right hand side of the mean, the data can favour one or the other side.

*Figure 4.20 Positive and negatively skewed data curves*

When the data favour one side of the bell curve the tails are unequal lengths. The tapering sides of the curve are called tails, and they provide a visual means for determining which of the two kinds of skewness a distribution has:

- Negative skew: The left tail is longer; the mass of the distribution is concentrated on the right of the figure. It has relatively few low values. The distribution is said to be left-skewed, left-tailed, or skewed to the left.
• Positive skew: The right tail is longer; the mass of the distribution is concentrated on the left of the figure. It has relatively few high values. The distribution is said to be right-skewed, right-tailed, or skewed to the right.

Skewness can be quantified by calculating Pearson Skewness coefficient (Johnson et al., 1994). In this study the skewness is graphically represented using spider charts. The spider chart further indicated the data points contributing to the skewness of the curve.

The most familiar measure of dependence between two quantities is the Pearson's correlation coefficient. It is obtained by dividing the covariance of the two variables by the product of their standard deviation.

The Pearson correlation is +1 in the case of a perfect positive (increasing) linear relationship (correlation), −1 in the case of a perfect decreasing (negative) linear relationship, and some value between −1 and 1 in all other cases, indicating the degree of linear dependence between the variables. As it approaches zero there is less of a relationship and therefore is closer to being uncorrelated. The closer the coefficient is to either −1 or 1, the stronger the correlation between the variables (Rodgers, 1978).

Reliability measure
As a measure of reliability this study uses Cronbach’s alpha. In the context of statistical data, reliability can be defined as the degree to which a scale consistently reflects the construct it is measuring. One way to think of reliability is that all things being equal, a person should get the same score on a questionnaire if they complete the questionnaire at two different points in time. The simplest way to do this in practice is to use split half reliability. This method randomly splits the data set into two. A score for each respondent is then calculated based on each half of the scale. If a scale is very reliable a person’s score on one half of the scale should be the same or similar to their score on the other half of the scale. The problem with this method is that there are several ways in which a data set can be split into two and so the results can be
a product of the way in which the data were split. To overcome this problem Cronbach came up with a measure that is loosely equivalent to splitting the data in two in every possible way and computing the correlation coefficient for each split. The average of these values is equivalent to Cronbach’s alpha. In the context of research in the social sciences a Cronbach’s alpha value greater than 0.7 is considered acceptable reliability (Field, 2005).

Respondents were asked to indicate:
Tenant mix in my shopping centre is ideal with respect to my store sales.
Tenant mix in my shopping centre is ideal with respect to the centre as a whole.
Tenant mix in my shopping centre is ideal for one stop shopping.
An ideal tenant mix should include a store from each category, to create shopping convenience.
Tenant mix in my shopping centre is ideal, and the stores are ideally located within the store.
Stores within the same categories should be located together to form shopping clusters within the shopping centre.
An ideal tenant mix should provide products/services most desired by the primary target market of the shopping centre.
Socializing and entertainment aspects are a very important part of the modern shopping experience.
Closed mall layouts with multiple entrances are far superior shopping centre layouts compared to open mall layouts with street front shop fronts.
Same category stores should be located at varying ends of the shopping centre to create cross-flow foot traffic.
Centre gathering area for example an atrium is an important social aspect of the shopping centre.
The success of my shopping centre is integral to retaining the anchor tenant/s.
An ideal tenant mix should have a strong central theme, complimented by some convenience categories.
In reality there is no room for applying scientific approaches to the retail situation.
Our shopping centre has a very effective forum, where strategic issues are table for the purpose of improving the centre’s success.
The best strategy for developing tenant mix is to evolve the mix as the centre matures and develops its character. As tenants, it's important to me that our centre is fully let. Lower fixed rentals and higher turnover rentals are a good strategy to build synergy within our shopping centre.
Table 4.15 Summary table of responses according to questions Q6.1 to Q6.18

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q6.1 Tenant mix in my shopping centre is ideal with respect to my store sales.</td>
<td>N</td>
<td>5</td>
<td>13</td>
<td>22</td>
<td>15</td>
</tr>
<tr>
<td>Q6.2 The tenant mix in my shopping centre is ideal as a whole.</td>
<td>N</td>
<td>5</td>
<td>12</td>
<td>23</td>
<td>17</td>
</tr>
<tr>
<td>Q6.3 The tenant mix in my shopping centre is ideal for one stop shopping.</td>
<td>N</td>
<td>7</td>
<td>10</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>Q6.4 An ideal tenant mix should include a store from each category to create shopping convenience.</td>
<td>N</td>
<td>1</td>
<td>8</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Q6.5 The tenant mix in my shopping centre is ideal, and the stores are ideally located within the store.</td>
<td>N</td>
<td>5</td>
<td>12</td>
<td>27</td>
<td>15</td>
</tr>
<tr>
<td>Q6.6 Stores within the same categories should be located together to form shopping clusters within the shopping centre.</td>
<td>N</td>
<td>9</td>
<td>13</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>Q6.7 An ideal tenant mix should provide products/services most desired by the primary target market of the shopping centre.</td>
<td>N</td>
<td>9</td>
<td>13</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Q6.8 Socialising and entertainment aspects are very important part of the modern shopping experience.</td>
<td>N</td>
<td>1</td>
<td>1</td>
<td>10</td>
<td>29</td>
</tr>
<tr>
<td>Q6.9 Closed mall layouts with multiple entrances are far superior shopping centre layout compared to open mall layouts with street front shop fronts.</td>
<td>N</td>
<td>8</td>
<td>8</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Q6.10 Some category stores should be located at varying ends of the shopping centre to create cross flow foot traffic.</td>
<td>N</td>
<td>3</td>
<td>9</td>
<td>28</td>
<td>17</td>
</tr>
<tr>
<td>Q6.11 A central gathering area for example an atrium is an important social aspect of the shopping centre.</td>
<td>N</td>
<td>3</td>
<td>5</td>
<td>22</td>
<td>24</td>
</tr>
<tr>
<td>Q6.12 The success of my shopping centre is integral to retaining the anchor tenants.</td>
<td>N</td>
<td>1</td>
<td>5</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Q6.13 An ideal tenant mix should have a strong central theme, complimented by some convenience categories.</td>
<td>N</td>
<td>0</td>
<td>12</td>
<td>19</td>
<td>24</td>
</tr>
<tr>
<td>Q6.14 In reality there is no room for applying scientific approaches to the retail situation.</td>
<td>N</td>
<td>11</td>
<td>10</td>
<td>24</td>
<td>9</td>
</tr>
<tr>
<td>Q6.15 Our shopping centre has a very effective forum where strategic issues are table for the purpose of improving the centre’s success.</td>
<td>N</td>
<td>0</td>
<td>18</td>
<td>24</td>
<td>10</td>
</tr>
<tr>
<td>Q6.16 The best strategy for developing tenant mix is to evolve the mix as the centre matures and develops its character.</td>
<td>N</td>
<td>1</td>
<td>5</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>Q6.17 As the tenants, it’s important to me that our centre is fully let.</td>
<td>N</td>
<td>1</td>
<td>0</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Q6.18 Lower fixed rents and higher turnover rentals are a good strategy to build synergy within our shopping centre.</td>
<td>N</td>
<td>0</td>
<td>2</td>
<td>22</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question Q6.1 to Q6.18
The Cronbach’s alpha value for this question is 0.83.

The respondents indicated the following in terms of tenant mix in my shopping centre is ideal with respect to my store sales: 31 percent felt indifferent, 27 percent agreed, 18 percent disagreed, 15 percent strongly agreed and 7 percent strongly disagreed.

The respondents indicated the following in terms of tenant mix in my shopping centre is ideal with respect to the centre as a whole: 32 percent felt indifferent, 24 percent agreed, 18 percent strongly agreed, 17 percent disagreed and 7 percent strongly disagreed.

The respondents indicated the following in terms of tenant mix in my shopping centre is ideal for one stop shopping: 30 percent felt indifferent, 25 percent strongly agreed, 20 percent agreed, 14 percent disagreed and 10 percent strongly disagreed.

The respondents indicated the following in terms of an ideal tenant mix should include a store from each category, to create shopping convenience: 45 percent strongly agreed, 28 percent agreed, 12 percent felt indifferent, 11 percent disagreed and 1 percent strongly disagreed.

The respondents indicated the following in terms of the tenant mix in my shopping centre is ideal, and the stores are ideally located within the store: 38 percent felt indifferent, 21 percent agreed, 17 percent disagreed, 15 percent strongly agreed and 7 percent strongly disagreed.

The respondents indicated the following in terms of stores within the same categories should be located together to form shopping clusters within the shopping centre: 27 percent felt indifferent, 24 percent agreed, 18 percent disagreed, 17 percent strongly agreed and 12 percent strongly disagreed.

The respondents indicated the following in terms of an ideal tenant mix should provide products/services most desired by the primary target market of the
shopping centre: 27 percent felt indifferent, 24 percent agreed, 18 percent disagreed, 17 percent strongly agreed and 12 percent strongly disagreed.

The respondents indicated the following in terms of socializing and entertainment aspects are a very important part of the modern shopping experience: 41 percent strongly agreed, 41 percent agreed, 14 percent felt indifferent, 1 percent strongly disagreed and 1 percent disagreed.

The respondents indicated the following in terms of closed mall layouts with multiple entrances are far superior shopping centre layouts compared to open mall layouts with street front shop fronts: 30 percent strongly agreed, 27 percent agreed, 22 percent felt indifferent, 11 percent disagreed and 8 percent strongly disagreed.

The respondents indicated the following in terms of same category stores should be located at varying ends of the shopping centre to create cross-flow foot traffic: 40 percent felt indifferent, 24 percent agreed, 20 percent strongly agreed, 11 percent disagreed and 4 percent strongly disagreed.

The respondents indicated the following in terms of a centre gathering area for example an atrium is an important social aspect of the shopping centre: 34 percent agreed, 31 percent felt indifferent, 22 percent strongly agreed, 7 percent disagreed and 4 percent strongly disagreed.

The respondents indicated the following in terms of the success of my shopping centre is integral to retaining the anchor tenant/s: 47 percent strongly agreed, 24 percent agreed, 18 percent felt indifferent, 7 percent disagreed and 1 percent strongly disagreed.

The respondents indicated the following in terms of an ideal tenant mix should have a strong central theme, complimented by some convenience categories: 34 percent agreed, 27 percent felt indifferent, 21 percent strongly agreed, 17 percent disagreed and 0 percent strongly disagreed.
The respondents indicated the following in terms of in reality there is no room for applying scientific approaches to the retail situation: 34 percent felt indifferent, 27 percent disagreed, 15 percent strongly disagreed, 12 percent agreed and 10 percent strongly agreed.

The respondents indicated the following in terms of our shopping centre has a very effective forum, where strategic issues are table for the purpose of improving the centre’s success: 34 percent felt indifferent, 25 percent disagreed, 21 percent agreed, 10 percent strongly agreed and 8 percent strongly disagreed.

The respondents indicated the following in terms of the best strategy for developing tenant mix is to evolve the mix as the centre matures and develops it character: 35 percent felt indifferent, 32 percent agreed, 22 percent strongly agreed, 7 percent disagreed and 1 percent strongly disagreed.

The respondents indicated the following in terms of, as tenants, it’s important to me that our centre is fully let: 65 percent strongly agreed, 18 percent agreed, 14 percent felt indifferent, 1 percent strongly disagreed and 0 percent disagreed.

The respondents indicated the following in terms of lower fixed rentals and higher turnover rentals are a good strategy to build synergy within our shopping centre: 38 percent strongly agreed, 31 percent felt indifferent, 27 percent agreed, 2 percent disagreed and 0 percent strongly disagreed.
Figure 4.21 Responses to Q6.1 Tenants mix - sales

Q6.1

Source: Data according to table 4.21, Q6.1 converted to spider chart

Figure 4.22 Responses to Q6.2 Tenants mix – in centre

Q6.2

Source: Data according to table 4.21, Q6.2 converted to spider chart
Figure 4.23 Responses to Q6.3 tenant mix – one stop shopping

**Q6.3**

![Spider chart for Q6.3](image)

*Source: Data according to table 4.21, Q6.3 converted to spider chart*

Figure 4.24 Responses to Q6.4 tenant mix – tenant variety

**Q6.4**

![Spider chart for Q6.4](image)

*Source: Data according to table 4.21, Q6.4 converted to spider chart*
Q6.5

![Radar chart for Q6.5 responses]

Source: Data according to table 4.21, Q6.5 converted to spider chart

Q6.6

![Radar chart for Q6.6 responses]

Source: Data according to table 4.21, Q6.6 converted to spider chart
Figure 4.27 Responses to Q6.7 match primary market

**Q6.7**

![Spider chart for Q6.7 responses](image)

*Source: Data according to table 4.21, Q6.7 converted to spider chart*

Figure 4.28 Responses to Q6.8 social aspects

**Q6.8**

![Spider chart for Q6.8 responses](image)

*Source: Data according to table 4.21, Q6.8 converted to spider chart*
Figure 4.29 Responses to Q6.9 closed versus open mall

Q6.9

Source: Data according to table 4.21, Q6.9 converted to spider chart

Figure 4.30 Responses to Q6.10 same tenants group versus separation

Q6.10

Source: Data according to table 4.21, Q6.10 converted to spider chart
Figure 4.31 Responses to Q6.11 social aspects

**Q6.11**

Source: Data according to table 4.21, Q6.11 converted to spider chart

Figure 4.32 Responses to Q6.12 anchor tenant versus shopping centre

**Q6.12**

Source: Data according to table 4.21, Q6.12 converted to spider chart
Figure 4.33 Responses to Q6.13 theme type centres

Q6.13

Source: Data according to table 4.21, Q6.13 converted to spider chart

Figure 4.34 Responses to Q6.14 scientific approaches

Q6.14

Source: Data according to table 4.21, Q6.14 converted to spider chart
**Figure 4.35 Responses to Q6.15 tenant forums**

**Q6.15**

Source: Data according to table 4.21, Q6.15 converted to spider chart

**Figure 4.36 Responses to Q6.16 organic evolution of tenant mix**

**Q6.16**

Source: Data according to table 4.21, Q6.16 converted to spider chart
**Q6.17**

Figure 4.37 Responses to Q6.17 fill empty spaces

*Source: Data according to table 4.21, Q6.17 converted to spider chart*

**Q6.18**

Figure 4.38 Responses to Q6.18 turn-over rentals

*Source: Data according to table 4.21, Q6.18 converted to spider chart*
Significant data, p-value being less than 0.05, has been highlighted in yellow.

Considering only the significant data the following instruments showed a high degree of correlation:

Q6.1, Q6.2, Q6.3, Q6.5 and Q6.15 show a high degree of positive correlation ranging from 0.47 to 0.86.

Q6.14 and Q6.15 show a high degree of positive correlation at value 0.59.

Q6.7 and Q6.17 show a high degree of positive correlation at value 0.52.

Source: Data according to the survey question Q6.1 to Q6.18

<table>
<thead>
<tr>
<th></th>
<th>Q6.1</th>
<th>Q6.2</th>
<th>Q6.3</th>
<th>Q6.4</th>
<th>Q6.5</th>
<th>Q6.6</th>
<th>Q6.7</th>
<th>Q6.8</th>
<th>Q6.9</th>
<th>Q6.10</th>
<th>Q6.11</th>
<th>Q6.12</th>
<th>Q6.13</th>
<th>Q6.14</th>
<th>Q6.15</th>
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<td>0.21</td>
<td>0.22</td>
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<td>-0.02</td>
<td>0.02</td>
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<td>0.15</td>
<td>0.44</td>
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<td>0.20</td>
<td>0.12</td>
<td>0.23</td>
<td>0.09</td>
<td>0.07</td>
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<td>0.01</td>
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<td>0.15</td>
<td>-0.06</td>
<td>0.03</td>
<td>0.02</td>
<td>-0.13</td>
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<td>0.03</td>
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<td>0.07</td>
<td>0.10</td>
<td>0.22</td>
<td>0.04</td>
<td>0.13</td>
<td>0.34</td>
<td>0.24</td>
<td>0.42</td>
<td>0.14</td>
<td>0.59</td>
<td>1.00</td>
<td>0.36</td>
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<td>0.23</td>
<td>0.40</td>
<td>0.52</td>
<td>0.23</td>
<td>-0.10</td>
<td>0.18</td>
<td>0.21</td>
<td>0.36</td>
<td>0.57</td>
<td>0.36</td>
<td>1.00</td>
<td>0.55</td>
<td>0.47</td>
</tr>
<tr>
<td>Q6.17</td>
<td>0.14</td>
<td>0.02</td>
<td>0.04</td>
<td>0.28</td>
<td>0.09</td>
<td>0.08</td>
<td>0.02</td>
<td>0.40</td>
<td>0.26</td>
<td>0.14</td>
<td>0.31</td>
<td>0.11</td>
<td>0.07</td>
<td>-0.03</td>
<td>0.14</td>
<td>0.33</td>
<td>1.00</td>
<td>0.34</td>
</tr>
<tr>
<td>Q6.18</td>
<td>0.17</td>
<td>0.03</td>
<td>0.00</td>
<td>0.25</td>
<td>0.10</td>
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<td>0.31</td>
<td>0.31</td>
<td>0.01</td>
<td>0.03</td>
<td>0.13</td>
<td>0.16</td>
<td>0.26</td>
<td>0.44</td>
<td>0.18</td>
<td>0.47</td>
<td>0.54</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Table 4.16 Factor correlation table according to questions Q6.1 to Q6.18

Source: Data according to the survey question Q6.1 to Q6.18
4.7 Top of mind brands, tenant mix associative perceptions

Marketing theory identifies two levels of brand awareness; brand recognition and brand recall. Brand recognition refers to a superficial level of awareness, whereas brand recall refers to a deeper level of awareness. Shoppers may be able to identify a brand if it is presented to them on a list or if cues are provided. However, fewer shoppers are able to retrieve a brand name from memory without a reminder or cues. It is this deeper level of awareness to what marketing aspires.

Through effective and consistent marketing and communication efforts, some brands are so well known that virtually every person can recall the brand. The goal of marketing and communication is thus to move brands from a shopper’s state of recognition, to a state of recall and ultimately to top-of-mind awareness (Hoffman et al, 2005).

Table 4.17 Responses according to anchor tenant

<table>
<thead>
<tr>
<th>Q7.1</th>
<th>Anchor tenant</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As quick as possible type in a store name (the first that comes to mind), next to the following store categories:</strong></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Count</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------</td>
</tr>
<tr>
<td>Checkers</td>
<td>14.1</td>
</tr>
<tr>
<td>Dischem</td>
<td>1.1</td>
</tr>
<tr>
<td>EDGARS</td>
<td>3.3</td>
</tr>
<tr>
<td>Food lovers Market</td>
<td>4.1</td>
</tr>
<tr>
<td>Game</td>
<td>5.3</td>
</tr>
<tr>
<td>Pick n Pay</td>
<td>6.3</td>
</tr>
<tr>
<td>SHOPRITE</td>
<td>7.1</td>
</tr>
<tr>
<td>Spar</td>
<td>8.6</td>
</tr>
<tr>
<td>Woolworths</td>
<td>9.8</td>
</tr>
<tr>
<td>MISSING</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 7.1
Figure 4.39 Responses according to anchor tenant

Source: Table 4.17 data converted to balloon chart
Table 4.18 Responses according to bookstore/ stationary store

<table>
<thead>
<tr>
<th>Q7.2</th>
<th>Bookstore/ stationary store</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As quick as possible type in a store name (the first that comes to mind), next to the following store categories:</td>
</tr>
<tr>
<td>Category</td>
<td>COUNT</td>
</tr>
<tr>
<td>----------</td>
<td>-------</td>
</tr>
<tr>
<td>Bargain Books</td>
<td>4</td>
</tr>
<tr>
<td>Clicks</td>
<td>1</td>
</tr>
<tr>
<td>CNA</td>
<td>31</td>
</tr>
<tr>
<td>CUM BOOKS</td>
<td>4</td>
</tr>
<tr>
<td>Exclusive Books</td>
<td>24</td>
</tr>
<tr>
<td>Fogarty's</td>
<td>1</td>
</tr>
<tr>
<td>none</td>
<td>1</td>
</tr>
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<td>Second Hand</td>
<td>1</td>
</tr>
<tr>
<td>MISSING</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 7.2

Figure 4.40 Responses according to bookstore/ stationary store

Source: Table 4.18 data converted to balloon chart
### Table 4.19 Responses according to clothing outfitters/shoe store

<table>
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<tr>
<th>Category</th>
<th>COUNT</th>
<th>CUMULATIVE COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ackerman's</td>
<td>4</td>
<td>0</td>
<td>6%</td>
</tr>
<tr>
<td>Ann's</td>
<td>1</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>Billabong</td>
<td>1</td>
<td>5</td>
<td>1%</td>
</tr>
<tr>
<td>Delbro</td>
<td>1</td>
<td>6</td>
<td>1%</td>
</tr>
<tr>
<td>Edgars</td>
<td>24</td>
<td>7</td>
<td>35%</td>
</tr>
<tr>
<td>Foschini</td>
<td>2</td>
<td>31</td>
<td>3%</td>
</tr>
<tr>
<td>Jet</td>
<td>1</td>
<td>33</td>
<td>1%</td>
</tr>
<tr>
<td>Marichams</td>
<td>2</td>
<td>34</td>
<td>3%</td>
</tr>
<tr>
<td>Mr Price</td>
<td>8</td>
<td>36</td>
<td>12%</td>
</tr>
<tr>
<td>Naaartjie</td>
<td>1</td>
<td>44</td>
<td>1%</td>
</tr>
<tr>
<td>None</td>
<td>1</td>
<td>45</td>
<td>1%</td>
</tr>
<tr>
<td>Pep</td>
<td>1</td>
<td>46</td>
<td>1%</td>
</tr>
<tr>
<td>Plush</td>
<td>1</td>
<td>47</td>
<td>1%</td>
</tr>
<tr>
<td>Queens Park</td>
<td>1</td>
<td>48</td>
<td>1%</td>
</tr>
<tr>
<td>Rage Shoes</td>
<td>2</td>
<td>49</td>
<td>3%</td>
</tr>
<tr>
<td>Romans</td>
<td>1</td>
<td>51</td>
<td>1%</td>
</tr>
<tr>
<td>Shoe City</td>
<td>1</td>
<td>52</td>
<td>1%</td>
</tr>
<tr>
<td>Truworths</td>
<td>4</td>
<td>53</td>
<td>6%</td>
</tr>
<tr>
<td>Vibes</td>
<td>2</td>
<td>57</td>
<td>3%</td>
</tr>
<tr>
<td>Woolworths</td>
<td>9</td>
<td>59</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: Data according to the survey question 7.3

### Figure 4.41 Responses according to clothing outfitters/shoe store

Source: Table 4.19 data converted to balloon chart
Table 4.20 Responses according to electronics/computer/software

<table>
<thead>
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<th>Category</th>
<th>Count</th>
<th>Cumulative Count</th>
<th>Percent</th>
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</thead>
<tbody>
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<td>any</td>
<td>1</td>
<td>0</td>
<td>2%</td>
</tr>
<tr>
<td>BT Games</td>
<td>2</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Cash Crusaders</td>
<td>3</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Game</td>
<td>4</td>
<td>3</td>
<td>5%</td>
</tr>
<tr>
<td>GENIUS COMPUTERS</td>
<td>5</td>
<td>6</td>
<td>5%</td>
</tr>
<tr>
<td>Hi Fi Corp</td>
<td>6</td>
<td>9</td>
<td>5%</td>
</tr>
<tr>
<td>Incredible Connection</td>
<td>7</td>
<td>12</td>
<td>44%</td>
</tr>
<tr>
<td>INTERNET CAFE</td>
<td>8</td>
<td>40</td>
<td>8%</td>
</tr>
<tr>
<td>Makro</td>
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</tr>
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</tr>
<tr>
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</tr>
<tr>
<td>PC world</td>
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<td>2%</td>
</tr>
<tr>
<td>Teletek</td>
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<td>52</td>
<td>17%</td>
</tr>
<tr>
<td>VODACOM 4 U</td>
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<td>63</td>
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</tr>
<tr>
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</tbody>
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Source: Data according to the survey question 7.4

Figure 4.42 Responses according to electronics/computer/software

Source: Table 4.20 data converted to balloon chart
Table 4.21 Responses according to furniture/household appliances

<table>
<thead>
<tr>
<th>Category</th>
<th>COUNT</th>
<th>CUMULATIVE COUNT</th>
<th>PERCENT</th>
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<tr>
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</tr>
<tr>
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</tr>
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</tr>
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<td>Woolworths</td>
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<td>2%</td>
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</table>

Source: Data according to the survey question 7.5

Figure 4.43 Responses according to furniture/household appliances

Source: Table 4.21 data converted to balloon chart
4.8 Success measures

The shopping centre is integral to the retail industry and its function is a continuous or discreet but repeated process, therefore its success measures can be represented by key performance indication (KPI) (Dwyer, 2010).
The success measures were selected from the face-to-face interviews conducted. The success measures consistently proposed were:

- Occupancy level.
- Foot count.
- Basket/ conversion rate.
- Turn-over per lettable area.
- Essence/ character.

Occupancy is quantified as ratio of let space to the total potential lettable space.

Footfall can be counted through the use of technology such as infrared beam sensor and car counting cameras.

Basket conversion rate is a measure of the quality of the shopper being attracted by the shopping centre. A basket conversion rate can be quantified as the ratio of total spend over the total foot count for a given period.

Turnover per lettable square meter can be quantified as total turn-over over the total gross lettable area (GLA) during a given period, and is more a shopping centre manager/ owner measure of performance.

Essence/ character is a measure of success that is not directly quantifiable. Indirect methods such as surveys and polls are required to measure essence/ character.

Respondents were asked to indicate occupancy level, foot count, basket/ conversion rate, turn-over per lettable square meter, essence/ character. Table 4.23 shows the responses by size groups.
The respondents indicated the following in terms of success measures with respects to occupancy level – 183 scores, foot count (traffic past your store) - 160 scores, basket/ conversion rate (average spend per customer) – 225 scores, turn-over per lettable square meter – 215 scores and essence/ character – 219 scores.

Cronbach’s alpha for this question is 0.75.
For the purpose of the success measure / key performance indicators (KPI) the success factors are to be treated as independent variables. Although these factors can be altered as part of strategy, for the purpose of the success measuring these factors are considered to be given (independent) variables.

Respondents were asked to indicate success factors in terms of quality of location and accessibility, catchment size and quality, internal layout and environment, tenant mix and car parking provision. Table 4.24 shows the responses by size groups.
Cronbach’s alpha for this question is 0.78. The respondents indicated the following in terms of success factor in terms of quality of location and accessibility – 177 scores, catchment size and quality – 220 scores, internal layout and environment – 228 scores, tenant mix – 190 scores and car parking provision – 215 scores.
4.10 Chapter summary

In this chapter the survey data were tabulated and summarised. Certain data were highlighted through figures and charts. Statistical methods were used to find trends and patterns in the data. Short descriptions of some data sets have been discussed to establish the context in which the data are collected.

A factor correlation of question six was examined to determine if any strong correlations were present. Cronbach’s alpha value was discussed and used to determine the degree of reliability of the measuring instrument, in this study the question, being questions six, eight and nine.

In the next chapter the data will be interpreted and the findings discussed. The main problem and sub problems will be discussed with respect to the findings. Further recommendations will be made and conclusion will be drawn in the context of the study. Opportunities for further research will be examined.
Chapter 5

Findings, conclusions and recommendations

5.1 Introduction

The data and presentation of information were presented in the previous chapter. The purpose of this chapter is to interpret the data and correlate the results to what was revealed in the literature review.

In this chapter the main findings of the study will be summarised against the objectives of this study as discussed in the opening chapter.

Any challenges and limitations that the researcher had to deal with will be highlighted. Lastly conclusions will be discussed, opportunities for future research suggested and recommendations and will be made.

5.2 Findings

5.2.1 Biographical data

The results from question one revealed that over 60 percent of all respondents lacked any form of formal education in the retail industry.

5.2.2 Environmental data

Questionnaire, question two of the questionnaire is used to establish the profile of the sample population. The actual name of the shopping centre was requested in question one and is omitted in accordance with the confidentiality agreement established during the research design. The demographic information for the study area are as follows:
- Population of the metro is 1,050,930 (Statistics South Africa, 2007), which makes the density of the metro 540 persons per square kilometre. The gender makeup is 51 percent female and 49 percent male.

- Population of the Port Elizabeth area is 237,500 (Statistics South Africa, 2001), which makes the density of the city 710 persons per square kilometre.

- The racial makeup of the city is 52.1 percent White, 30.3 percent Coloured, 13.7 percent Black and 3.9 percent Asian and other.

- Total number of households in the city is 70,606 which is 210 households per square kilometre (Statistics South Africa, 2007)

Questionnaire, question 2.1
Due to the nature of question 2.1, increasing group sizes left to right, the expected data would be an ever increasing response left to right since the number of stores available to respond increases left to right. The actual data reveals a higher proportion of large shopping centres, that have 21 to 30 stores at the expense of the super sized shopping centres that have 31 to 40 stores. The response count for the hyper sized shopping centre is also significantly lower than would be expected. This is consistent with the demographics of the study area supporting a lower population density than would be encountered in a major South African city such as Johannesburg or Pretoria.

Questionnaire, question 2.2
The significant response to this question is the neighbourhood centre at 46 percent of the response. This is consistent with the study area being of a small physical size, less than 25 km radius (Statistics South Africa, 2007), however the low response to the Regional Centre classification is significant as the number of potential respondents is greater than 40 per centre. These findings are consistent with those of question 2.1.

Questionnaire, question 2.3
The overall response to this question was positive with less than 10 percent of respondents feeling that vehicle access and parking was not adequate, good or excellent. This result is consistent with the demographics of the area and a low population density. Inefficiencies in the road access and parking facilities would only be highlighted once tested by a higher traffic density.

Questionnaire, question 2.4
The overall response to this question was positive with less than 15 percent of respondents feeling that their shopping centre’s layout was not either adequate, good or excellent in terms of facilitating the movement of foot traffic through the shopping centre.

Questionnaire, question 2.5
The results to this question indicate that all shopping centre configurations listed, enjoy a significant degree of success in the study area. Cruciform, concentric configuration represents the closed type malls whereas the open type malls is represented by T-shaped and Open strip. The L-shaped configuration is a hybrid of both open and closed type malls. The results showed that open strip malls represent 35 percent of the total sample population and closed type malls represent 34 percent of the total sample population. From the results discussed from questions 2.3 and question 2.4 vehicle access, parking and the flow of foot count through the centre is positively viewed for both open and closed type malls.

Questionnaire, question 2.6
This question asked respondents to choose what they felt was the most important reason for them choosing their current shopping centre.

The expected response to this question was that tenants would choose a shopping centre based on the target market attracted by a particular shopping centre aligning with the target market for their goods or services. Hence a 37 percent majority response to the target market was expected, however only 13 percent of respondents felt the centre’s continued ability to attract foot count to the centre through attractiveness factor was important. The minority results to
this question highlighted that 4 percent of respondents considered the cost of rentals and less than 6 percent of respondents considered tenant mix of the centre, important. Hence tenant mix and cost of rentals were the least important reasons for selecting a particular shopping centre. The researcher suggests the reason for this result is that most tenants feel that the tenant mix on a whole is beyond their control and not part of their retail strategy.

Questionnaire, question three
This question asks respondents to rank the following five factors from most important to least important:

- Image aspects such as layout, architecture and quality.
- Social aspects such as coffee shops, gathering areas such as atriums.
- Functional aspects such as toilets, parking, location of stores.
- Entertainment aspects such as cinemas, shows, displays, and playgrounds.
- Convenience aspects such as one stop shopping and variety of goods.

In the 1st position the majority vote of 47 percent was for entertainment aspects. In the 2nd position the majority vote was 24 percent equally voted for image aspects and social aspects. In the 3rd position the majority vote was 32 percent in favour of social aspects. In the 4th position the majority vote was 40 percent for functional aspects. In the 5th position the majority vote was 35 percent for convenience aspects.

Using the inverse scoring system on a weighted average basis the aspects were ranked as follows:

- 1st most important – entertainment aspects.
- 2nd most important – image of the shopping centre.
- 3rd most important – social aspects.
- 4th most important – functional aspects.
- 5th most important – convenience aspects.
These findings are supported by Terblanche (1999) who suggests that shopping centres play a major role in society, not only as a shopping place, but also as a community centre for social and recreational activities. The literature review revealed that the trend in the US markets is for shopping centres to become a place for social interaction and entertainment (El-Adly, 2006)

5.2.3 Target market identification

Questionnaire, question 4
This question asked respondents to identify their target market with respect to:

- Age group.
- Race.
- Income group.
- Shopping party makeup.
- Financial standing.

The target markets identified are consistent with the disposal income groups for the study area, that being age group 37-55 years, White race, middle and above average income groups, female shopper or female shopper with children, persons qualifying for credit facilities. These results were discussed with the centre manager’s who confirmed the shopping centre target markets were consistent with the majority target market groups of the respondents. The confidentiality agreement precluded the study from presenting the geographical aspects of each shopping centre as this would positively identify each shopping centre, however a minor target market shift was noticed between southern based shopping centres and the northern based shopping centres. With the Black and Coloured race groups being the combined majority target markets for the northern areas based centres and the White race group being the majority for the southern areas based shopping centres. All other metrics remained constant north to south.
5.2.4 Tenant mix, theoretical aspects

Questionnaire, question 5 asked respondents to select tenant types that would best compliment a given outcome as follows:

- Q5.1 – attracting foot count to the centre.
- Q5.2 – this question allowed the researcher to gain perspective of the respondent’s selections.
- Q5.4 – most ideal tenant mix for the centre’s image.
- Q5.5 – store types that you would most frequent or purchase from.
- Q5.6 – store type that would most add to your turn-over.
- Q5.7 – store type that would most contribute to the success of the centre.
- Q5.8 – universally for any given centre which store types would most contribute towards long term success of the centre.

The literature revealed that the anchor tenant would form an important part of any tenant mix. The results from the data of question five correlated this finding with the anchor tenant having the highest count in each of the five questions. Overall the anchor tenant was selected 425 times in all situations by the sample population. The next closest count was the store type financial institute selected 326 counts in all situations, clothing and fashion type store were selected 277 counts with restaurants and coffee shops selected 253 counts. The literature revealed a contemporary trend to social aspects (El-Adly, 2006) of the retail industry, the results support this trend with emphasis on the restaurants and coffee shops, fashion remains the mainstay behind anchor tenants catering for the dominant bias towards female shoppers and the financial institute selection supports the ever increasing shift towards convenience shopping especially in South Africa (Prinsloo, 2010). By viewing figure 4.7 through 4.12 the data distribution pattern can be identified on each chart, a constant pattern is evident on each chart with notable exception being question 5.3 being the identification question. The results indicate that few financial institute type stores and few restaurant type stores took part in the survey. The constant data distribution
across all the questions further indicates that the respondents view an optimum tenant mix as being universally successful across different objectives. Hence a tenant mix that increases the attractiveness of the centre, increases foot count through the centre, increases turn-over of the stores, increases long term success of the stores and the centre and objectives are achieved universally.

Questionnaire, question 5.8 specifically asked the respondents to selected store types for a universally applicable tenant mix that would result in the long term success of a shopping centre. The results support the importance and growing shift towards convenience shopping in South Africa (Prinsloo, 2010) with the financial type tenant selected 64 counts only 2 counts less than the anchor tenant.

5.2.5 Tenant mix, current perceptions

Questionnaire, question 6 asked respondents indicate to their level of agreement with a specific statement. A five point Likert scale was used ranging from ‘strongly disagree’ to ‘strongly agree’. The data distribution plotted on a scatter diagram expected in this style of questioning is a normal distribution pattern, the area of which would form a typical bell shaped curve. A typical normal distribution of data on a spider chart can be seen in figure 5.1. When the data is heavily skewed left or right, the results indicates that the respondents had a definite opinion on the statement. If the data is consistent with the expected normal distribution a conclusive inference is not indicated. The degree of skewness was indicated by calculation of a K-value. This study graphically indicated the skewness using a spider chart.
Furthermore a factor correlation of question 6 reveals the degree of linear correlation between individual statements and inferences can be drawn based on these. The reliability of the data was tested using a p-factor. A p-factor less than 0.05 was considered significant.

Questionnaire, questions 6.1, 6.2, 6.3 and 6.5 were statements concerning the tenant mix. The data distribution for these statements revealed a similar pattern for each statement, skewed to the left indicating a positive response. A factor correlation of these statements revealed a high degree of positive correlation, ranging from 0.72 to 0.86 (see table 4.16). As previous question five revealed the respondents view an ideal tenant mix as a universal success factor serving the objectives of all stakeholders.

The results of question 6.5 graphically emulate normal distribution although with some degree of left sided skewness. The results reveal that respondents feel indifferent to this statement and do not fully connect the spatial relationships between the different stores as a factor of tenant mix. Brueckner (1993) externalities and inter-action effects (Abratt, Fourie and Pitt, 1985).
Questionnaire, questions 6.4, 6.6, 6.7, 6.10, and 6.13 were statements concerning the respondent’s perceptions of convenience shopping.

The results of question 6.4 graphically illustrated in figure 4.24, revealed a high degree of left sided skewness, with 75 percent of respondents positively agreeing with the need for variety in tenant mix to create a convenience shopping environment.

The results of question 6.6 revealed a normal distribution pattern indicating that the respondents feel indifferent to the concept that same store clusters for the purpose of creating magnet areas is important to a convenience shopping environment. The literature revealed a strong case for grouping like type tenants as well as separating like type tenants and suggested that a well balanced hybrid approach was the most optimal (McGoldrick and Thomson, 1992).

The results of question 6.7 emulated a normal distribution pattern, the researcher expected a high degree of left sided skewness. The results reveal a strong correlation with question 6.17, +0.52 (see table 4.16). Question 6.17 attempted to ascertain how importantly respondents felt a fully let shopping was to their success. The strong positive correlation suggests that respondents are aware of the effects a positive shopping centre image has on their stores brand image and their success.

The results of question 6.10 reveal a strong left sided skewness indicating that the respondents feel that placing same category stores on opposite end of the centre will enhance cross flow foot traffic through the centre. This is concept is regarded as rule of thumb planning as suggested by Darlow (1972).

The results of question 6.13 reveal a strong left sided skewness indicating that the respondents feel that combining a strong socially entertaining aspect to the centre will enhance the convenience shopping aspects of the shopping centre.
Questionnaire, questions 6.8 and 6.11 were statements addressing the social aspects of the shopping centre. The contemporary shopping centre are placing more emphasis on shopping centres as places of social gathering and entertainment (Lam, 2001). The results of these questions revealed a high degree of left sided skewness indicating that the respondents strongly agree with the need for social and entertainment aspects in the shopping centre environment, thus support the literature findings in this regard.

Question 6.9 made a statement concerning the respondent’s preference for closed or open type malls. The results revealed a strong preference for closed type malls although the results from questions 2.4, 2.5 and 2.6 that both configuration types were effective options for shopping centres and respondents gave positive data for both. The researcher suggests that the modern trend towards the closed mall configuration (Sim and Way, 1989) and its suitability towards social and entertainment aspects influences the respondents perspectives in this direction.

Questions 6.12 and 6.17 presented the respondents with statements regarding rule of thumb/ common sense management. In both questions the results reveal a wholly left side response, suggesting that respondents have a strong mind set towards rule of thumb aspects such as the dependence on the anchor tenant as well as having the centre fully let. The literature suggests that over and above the anchor tenants ability to attract foot count each store type individual exerts some degree of attraction no matter how small, and that the accumulative effect of these attractive abilities are a significant part of the tenant mix. Furthermore importance of the correct tenant mix requires consideration in the light of just letting space to fill the centre up.

Questionnaire, questions 6.14, 6.15, 6.16 and 6.18 are statements concerning the respondents perspectives on the acceptability of management and scientific approaches to tenant mix management as opposed to rule of thumb or common sense management.
Questionnaire, question 6.14 asked the respondents to indicate their level of agreement with the statement that scientific approaches could be used in the retail industry. The statement was negatively worded as suggested by Saunders, Lewis and Thornhill (2006) to test the respondents comprehension of the question relative to other questions in the same section.

The results to question 6.14 revealed right sided skewness, being a negatively worded statement this revealed that respondents viewed acceptance of scientific approaches to the tenant mix issue positively. However the results to question 6.16 revealed a high degree of left sided skewness, suggesting that respondents viewed the organic evolution of the tenant mix within a shopping centre as the best method. Although the two ideas are not mutually exclusive, the concepts are contradictory.

Questionnaire, question 6.15 asked the respondents to indicate their level of agreement to a statement that suggested they had an effective tenant association forum in place at their shopping centre. The results to this question emulated a normal distribution pattern, which revealed that the respondents felt indifferent to this statement. These results were supported by the face to face interviews with the shopping managers who confirmed few of these forums were in place.

Questionnaire, question 6.18 asked the respondents to indicate their level of agreement to a statement that suggested a higher proportion of the rental should be turn-over related and a lesser portion of the rental amount should be fixed. And that such a strategy would support overall synergy within the shopping centre. The results to this question revealed a high degree of left side skewness, suggesting that respondents positively supported this initiative. Turn-over based rental concepts are a part of the business plan review approach as proposed by Volk (1992).
5.2.6 Top of mind brands, tenant mix store types

Questionnaire, question seven was an open ended question and asked respondents to enter the first store name that came to mind when presented with a store type. Through examination of the results the store type divisions proved to be simple and usable. A clear favourite was evident in all questions except question 7.2 where two brand names featured ‘CNA’ and ‘Exclusive Books’. All other top of mind favourites received more than double the number of counts than the next closed brand. The store brand names concisely fitted the store type descriptions with few such as ‘CNA’ being labelled as both a bookstore and a music store. The results reveal that the store types used were understandable and practical.

5.2.7 Success measures

Questionnaire, question eight asked respondents to rank the success measures used by shopping centres in order of importance. The success measures were identified by the centre managers during the face to face interviews. The results revealed that the basket conversion rate was considered the most important success measure as this would not only consider the number of shoppers attracted to the shopping centre but also the quality of the shopper as well. This quality value proposed by Sim and Way (1989) can be said to be a product of disposable income and propensity to spend. The second most important measure of success was identified as being the essence or character of the shopping centre. This measure is the least quantifiable of the success measures but given the contemporary trend towards social and entertainment aspects of the shopping centre this success measure is playing a role of ever increasing significance. Respondents ranked the turnover per lettable space, occupancy level and foot count as the third, fourth and fifth most important success measure respectively. The researcher suggests that foot count can be used as one scalar value to quantify essence and character.

The results are supported by the literature in so far as the basket conversion rate is concerned. The importance given to the essence/character measure is
supported by the literature as a contemporary trend. However the lack of importance given to foot count measure is in contradiction with the literature. The lack of importance given to occupancy levels is supported by the literature, in the light of the tenant mix contributing to the image and the branding of the shopping centre and the damaging consequences of just filling spaces short term (Hazel, 1992). The literature suggests that the business plan review approach would negate the importance of turn-over per lettable square metre (Volk, 1992).

Most notably is the lack of a clear majority item, indicating a lack of clear retail industry strategic approach or at best lack of communication between the centre managers and the tenants of a clear retail strategy.

5.2.8 Success factors

Questionnaire, question nine asked respondents to rank the common success factors that affect the level to which the shopping centre success can be managed in order of importance. The success factors were identified by the centre managers during the face to face interviews. The results revealed that the image based factors were considered most important, with target market and functional factors rated second and third most important respectively. The respondents felt all the factors mentioned were important since no one factor dominated the count over the other.

As was noted in question 8, the lack of a clear majority item, indicating a lack of clear retail industry strategic approach or at best lack of communication between the centre managers and the tenants of a clear retail strategy.

5.3 Problems and limitations

The study sample population was sufficient in size, however the smaller shopping centres participated in higher proportions than the larger shopping centres. This response pattern tended to stratify the data. Issues of
confidentially were rife within the retail industry, highlighting adversarial relations between the shopping centres (landlord) and the tenants (renters). This adversarial relationship is a stumbling block to the flow of the information required to manage the shopping centres properly. A larger sample population would average out the data and represent the study area more uniformly, and a more focused approach on the confidentiality issues would allow better flow of the information required.

5.4 Conclusion

Despite this universal success objective serving all stakeholders, the free flow of information to support these objectives is not evident. A gross lack of proactive management and implementation of scientific approaches to the tenant mix is noticeable. A strong reliance on common sense and “rule of thumb” management is preferred. This study has shown that the monitoring of retail information is necessary for the successful management of an optimal tenant mix. Greenspan (1987) suggests that this information include the monitoring of profit levels achieved by tenants and the implications for the centre’s rental income and capital value as well as constant monitoring of sales performance, competition and demographics for this purpose. The continual centre manager to tenant communication is important to allow the centre manager to understand tenants’ business needs. For tenant mix management in the current environment, investment in effective analysis, planning and control is vital.

The full complexity of the tenant mix issue is not fully understood by the sample population. The study has shown that the complexity of tenant mix includes apportionment of space, number of stores, types of goods and services (Darlow, 1972), externalities (Brueckner, 1993), interaction effects (Bean, Noon, Ryan and Salton, 1988) and relative placement of stores within the centre. The understanding of the tenant mix within the sample population is limited to the types of goods and services.
The study has shown that the criteria that create optimum tenant mix synergy includes the shopping centre environment, the target market and the attractiveness factors of the shopping centre. However the most manageable parts of the criteria are tenant mix and the centre’s image. Management of these criteria should be included in the business plan for the shopping as a whole. It has been shown that the tenant mix is a major contributor to the shopping centre’s image and has considerable bearing on the centre’s success and its ability to destabilize existing retail establishments. Tenant mix strategies need to be based on thorough research of local consumer requirements and the need for competitive positioning.

The findings together with the literature suggest that the contemporary approach to the tenant mix is the business plan approach, which advocates that the centre manager/ owner review the tenant’s business plan and evaluate the tenant’s suitability for the centre as a whole. A lease agreement is then based on achieving the shopping centre’s objectives, as a whole, as stated in the business plan for the shopping centre. At this juncture the reference to the shopping centre implies the agglomeration of all stakeholders including the anchor and non-anchor tenants, property owners and the shopping centre manager/s.

The foremost impediment to managing and applying a strategic approach to the tenant mix is the lack of free flowing information to support such a strategy. The nature of the landlord versus renter relationship is a hindrance to gathering useful data for managing a strategic approach. The bargaining power of the anchor tenants and the legal restrictions on lease agreements versus the dynamic nature of the retail environment complicate the application of policy to support the proactive management of the tenant mix.

This study has shown the importance of the tenant mix in the overall success of the shopping centre. The role of the shopping centre in the economy has been highlighted and it has been shown that the long term success of the shopping centre serves the objectives of several stakeholders. The centre manager has the unenviable task of orchestrating all the factors discussed in such a way that
not only is the most suitable image created for the centre, but also that the shopping environment created is pleasant and exciting for shoppers, while at the same time enhancing the one-stop shopping concept. Most importantly, the centre manager must perform his/her task in such a way that the centre operates at the most profitable level possible.

5.5 Opportunities for future research

This study offers several directions for future research. First, to what extent do different store categories exert the externality factors as mentioned by Breuckner (1993). Furthermore are the externalities store category related or store brand related. Second, if the two extremities of a shopping centre as a place of entertainment are considered; purely for shopping no entertainment and purely for entertainment no shopping. What factors will be dominant at the optimal point in terms of sales volume for the shopping centre as a whole? Thirdly, what shopping centre attractiveness factors are best suited to which target market profile?

5.6 Recommendations

Based on the findings of this study, the researcher makes the following recommendations:

Shopping centre association body
The establishment of a strong tenant association has proved a means of managing tenant mix issues, based on mutual interest. A shopping centre association should be established to represent all stakeholders in the shopping centre. The correct constitution of such an association is of utmost importance to a successful outcome. The anchor tenant, the centre management, key non-anchor tenants and the centre ownership, if not represented by the centre management.
Lease agreements
Lease agreements should address the flow of retail information required to access and promote the functions of the shopping centre. A shopping centre information database should be established through the tenant body association, to manage the business plan of the shopping centre and guide the nature of the lease agreements.

Marketing plan
A market plan should be drawn up to promote the centre as a place of shopping, socializing and entertainment. The branding properties of the shopping centre should be recognized and promoted as would be a common place with goods and services.

Industry training
The need for formalized retail industry training should be addressed at least to a Diploma level. Tuition should include the importance of tenant mix and the factors that constitute tenant mix:

- Variety of tenant/store type.
- Location of tenants within the centre as well as relative to other tenant/store types.
- The overall effect of tenant/store type externality on the shopping centre as a whole.
- Number of tenants.
- Space apportionment.
- Variety of brands.

Retail management teams
The shopping centre ownership should install specialist retail management teams to manage the shopping centre and promote the shopping centre image. Such a team should implement a scientific approach to attracting the correct types of tenants and the correct quantity and quality of foot traffic to the shopping centre.
References


Dear respondent,

You will be receiving this email from your center manager, as I have discussed the purpose and intent of this research with your center manager prior to distribution. I hope to contribute to the body of knowledge concerning synergy in shopping centres and what factors play a role in creating such synergy.

Attached to this email you will receive a letter from my promoter, Dr John Burger (NMMU), stating the terms of confidentiality. Furthermore you should know that your data is entered directly into the university's database, completely anonymously. The link provided connects you directly to the university’s database.

The results of this research will be available to you on request, in an electronic (pdf) format.

The following questionnaire relies on your expertise as a decision maker in the field of retail, with particular reference to shopping centres. There are no correct or incorrect answers. Pay attention to the wording of the questions, as some questions will seem very similar to others, answer the question with respect to your understanding of the question.

The pilot study has estimated the time to complete the questionnaire is 15 minutes.

You can attend to other business whilst the questionnaire is open, but do not submit the questionnaire until you are complete. If you exit the questionnaire you can retake the questionnaire at a later stage but it will revert back to the beginning. Once you have submitted the questionnaire you will not be able to re-access the link, as the database will only accept one questionnaire from your system.

In terms of this research, shopping includes products and services. Hence it is understood that the use of a financial institution, ATM’s, postal services, medical/dental services et cetera are all regarded as shopping. In all the store category questions, the same categories are included in the drop down list for all questions. If the exact description does not appear choose one that is most similar.

Your link here: [http://www.nmmu.ac.za/websurvey/q.asp?sid=367&k=wlknxiibfe](http://www.nmmu.ac.za/websurvey/q.asp?sid=367&k=wlknxiibfe)

Kind regards

Garth De Villiers
MBA student
To whom it may concern:

Confidentiality Statement

This is to confirm that Mr Garth de Villiers is currently a bona fide MBA student at the Business School within the Faculty of Business and Economic Sciences.

I am his study leader for the treatise he is busy conducting as an integral component of his studies.

Please note the following matters concerning the research that will be undertake for the purposes of this project:

Important points to note:

1. The research will be released into the public domain.
2. Anonymity is guaranteed.
3. All totals such as GLA, foot-count and overall turn-over, which can in some indirect way identify a Shopping Centre will be excluded from the treatise as published.
4. All participants will receive an electronic copy of the treatise as published.
5. Questionnaires will be completely anonymous, however the respondent will be asked to identify their particular centre from a drop down list.
6. Respondent data will be entered directly onto the university's database where the researcher will access it, hence there will be no paper trail or email trail.

Dr John M Burger
June 29, 2011
"An investigation of the criteria that create synergy in shopping centres through tenant mix."

Note: In all cases either mark by way of an “x” or circle the applicable answer.

1. CLASSIFICATION DATA

This category provides information that will be used to group your data.

1.1 How long have you been in the retail industry?

| 0-5 years | 6-10 years | 7-15 years | 16-20 years | >20 years |

1.2. Indicate your gender.

M  F

1.3 Indicate your age group.

| 18-30 years | 31-40 years | 41-50 years | 51-60 years | >60 years |

1.4 Indicate the shopping centre you are associated with.

Drop-down List: Cleary Park Shopping Centre
Greenacres Shopping Centre
Kings Court
Meltlife Plaza – Port Elizabeth
Pier 14 Shopping Centre
Shoprite Mall at Greenacres
Sixth Avenue Shopping Centre
Summerstrand Village Shopping Centre
Sunridge Village Shopping Centre
The Bridge of Greenacres
Walker Drive Shopping Centre
Walmer Park Shopping Centre
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1.5  Indicate your type of training in the retail industry.

*Drop-down list:* Certificate, Diploma, Degree, Master’s degree, Doctorate, Experiential (working up the ladder), Not applicable

2. **ENVIRONMENTAL DATA**

This category provides data concerning the shopping center’s environment. Answer the following questions with particular reference to your shopping center, select the item which most accurately describes your shopping center.

2.1  Shopping centre’s size (number of stores).

<table>
<thead>
<tr>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
<th>Super</th>
<th>Hyper</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-10</td>
<td>11-20</td>
<td>21-30</td>
<td>31-40</td>
<td>&gt;40</td>
</tr>
</tbody>
</table>

2.2  Shopping centre type.

<table>
<thead>
<tr>
<th>Neighbourhood Centre</th>
<th>Community Centre</th>
<th>Minor Regional Centre</th>
<th>Part of Regional Centre</th>
<th>Regional Centre</th>
</tr>
</thead>
</table>

2.3  Accessibility in terms of vehicle traffic and parking.

*Very poor* | *Poor* | *Adequate* | *Good* | *Excellent*

2.4  Shopping centre’s layout in terms of foot traffic and flow through the centre.

*Very poor* | *Poor* | *Adequate* | *Good* | *Excellent*
"An investigation of the criteria that create synergy in shopping centres through tenant mix."

2.5. Shopping centre’s layout.

1. L – shaped
2. Cruciform shaped (+)
3. Concentric
4. T-shaped
5. Open strip

2.6 In terms of your decision making process that led to you renting in your shopping centre, choose the most important factor from the list provided.

*Drop-down List:*  
Target market  
Cost of rentals  
Space being available  
Shopping centre attractiveness factors  
Tenant mix  
Location within the centre

3. Shopping centre attractiveness

In terms of its ability to draw customers to the shopping centre, rank the following 5 items in order, 1st – 5th, strongest draw card – less strong draw card:

3.1 Shopping centre layout, architecture & quality.

3.2 Aspects such as coffee shops, atrium, areas to meet friends, areas to rest and relax.

3.3 Functional aspects such as parking, entrances, toilet facilities, location of stores.

3.4 Entertainment aspects such as cinemas playgrounds, activities, shows and displays.
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3.5 Convenience aspects such as one stop shopping and variety of offerings.

4. TARGET MARKET DATA

Answer the following questions with particular reference to your target market, select the item which most accurately describes your target market. Note you can select more than one item per statement.

4.1. Age group.

<table>
<thead>
<tr>
<th>Tweens</th>
<th>Teens</th>
<th>Youth</th>
<th>Young adults</th>
<th>Adults</th>
<th>Old adults</th>
<th>Pensioners</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-12 years</td>
<td>13-19 years</td>
<td>20-25 years</td>
<td>26-36 years</td>
<td>37-55 years</td>
<td>56-65 years</td>
<td>&gt;65 years</td>
</tr>
</tbody>
</table>

4.2. Ethnic Group.

Black | Coloured | White | Indian | Asian | Other | All

4.3. Income Levels.

Low income | Middle income | Above average | High income | Affluent

4.4. Shopping Group.

Family unit with children | Lone female | Wife with children | Lone Male | Husband & Wife/ Couple

4.5. Social status with respect to home and vehicle.

Flat renter, public transport | House renter public transport | Home owner single car family | Home owner two car family

4.6 If 4.5 provides insufficient options, fill your option in here.
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5. TENANT MIX DATA

The list of store categories has been reduced from 46 items to 19 items for simplification of the analysis, if the exact category is not listed choose the next most similar category. Note ‘anchor’ is listed as a category albeit a grocery store or pharmacy, due to the universal nature of the anchor tenants. Only choose 5 items.

5.1 5 store categories that would best compliment your store, in terms of foot traffic.

Drop down list:

1. Anchor tenant
2. Art/hobby/craft store/curio store
3. Bakery/Butchery/Home industries
4. Bookstore/stationery store
5. Clothing outfitters/shoe store
6. Electronics/Computer/Software
7. Entertainment/cinema/amphitheatre
8. Financial institute
9. Furniture/household appliances
10. Gymnasium/Health spa
11. Hairdresser/
12. Hardware/DIY store
13. Jeweler
14. Medical/Dental/Optometrist
15. Music/video store
16. Pharmacy
17. Post office/courier
18. Restaurant/Coffee shop
19. Sports store
20. Toy/games store

5.2 Identify your store category, if not listed enter in the space provided below.

1. Anchor tenant
2. Art/hobby/craft store/curio store
3. Bakery/Butchery/Home industries
4. Bookstore/stationery store
5. Clothing outfitters/shoe store
6. Electronics/Computer/Software
7. Entertainment/cinema/amphitheatre
"An investigation of the criteria that create synergy in shopping centres through tenant mix."

8. Financial institute
9. Furniture/ household appliances
10. Gymnasium/ Health spa
11. Hairdresser/
12. Hardware/ DIY store
13. Jeweler
14. Medical/ Dental/ Optometrist
15. Music/ video store
16. Pharmacy
17. Post office/ courier
18. Restaurant/ Coffee shop
19. Sports store
20. Toy/ games store

5.3 If your store category was not listed, enter here.

5.4 If you were creating the ideal shopping centre from scratch, by category, list the 5 most important ‘must haves’.

1. Anchor tenant
2. Art/ hobby/ craft store/ curio store
3. Bakery/ Butchery/ Home industries
4. Bookstore/ stationery store
5. Clothing outfitters/ shoe store
6. Electronics/ Computer/ Software
7. Entertainment/ cinema/ amphitheatre
8. Financial institute
9. Furniture/ household appliances
10. Gymnasium/ Health spa
11. Hairdresser/
12. Hardware/ DIY store
13. Jeweler
14. Medical/ Dental/ Optometrist
15. Music/ video store
16. Pharmacy
17. Post office/ courier
18. Restaurant/ Coffee shop
19. Sports store
20. Toy/ games store
"An investigation of the criteria that create synergy in shopping centres through tenant mix."

5.5 As a shopper in your own shopping centre which store by category, would you most frequent. Chose your top 5.

1. Anchor tenant
2. Art/ hobby/ craft store/ curio store
3. Bakery/ Butchery/ Home industries
4. Bookstore/ stationery store
5. Clothing outfitters/ shoe store
6. Electronics/ Computer/ Software
7. Entertainment/ cinema/ amphitheatre
8. Financial institute
9. Furniture/ household appliances
10. Gymnasium/ Health spa
11. Hairdresser/
12. Hardware/ DIY store
13. Jeweler
14. Medical/ Dental/ Optometrist
15. Music/ video store
16. Pharmacy
17. Post office/ courier
18. Restaurant/ Coffee shop
19. Sports store
20. Toy/ games store

5.6 With particular reference to your store type, list five store categories that would most compliment your store in terms of sales.

1. Anchor tenant
2. Art/ hobby/ craft store/ curio store
3. Bakery/ Butchery/ Home industries
4. Bookstore/ stationery store
5. Clothing outfitters/ shoe store
6. Electronics/ Computer/ Software
7. Entertainment/ cinema/ amphitheatre
8. Financial institute
9. Furniture/ household appliances
10. Gymnasium/ Health spa
11. Hairdresser/
12. Hardware/ DIY store
"An investigation of the criteria that create synergy in shopping centres through tenant mix."

13. Jeweler
14. Medical/ Dental/ Optometrist
15. Music/ video store
16. Pharmacy
17. Post office/ courier
18. Restaurant/ Coffee shop
19. Sports store
20. Toy/ games store

5.7. In terms of the overall success of your shopping centre, from the list provided, select the five least important store categories.

1. Anchor tenant
2. Art/ hobby/ craft store/ curio store
3. Bakery/ Butchery/ Home industries
4. Bookstore/ stationery store
5. Clothing outfitters/ shoe store
6. Electronics/ Computer/ Software
7. Entertainment/ cinema/ amphitheatre
8. Financial institute
9. Furniture/ household appliances
10. Gymnasium/ Health spa
11. Hairdresser/
12. Hardware/ DIY store
13. Jeweler
14. Medical/ Dental/ Optometrist
15. Music/ video store
16. Pharmacy
17. Post office/ courier
18. Restaurant/ Coffee shop
19. Sports store
20. Toy/ games store

5.8 Choose five store categories that would almost always form part of a successful shopping centre anywhere, in any target market.

1. Anchor tenant
2. Art/ hobby/ craft store/ curio store
3. Bakery/ Butchery/ Home industries
"An investigation of the criteria that create synergy in shopping centres through tenant mix."

4. Bookstore/ stationery store
5. Clothing outfitters/ shoe store
6. Electronics/ Computer/ Software
7. Entertainment/ cinema/ amphitheatre
8. Financial institute
9. Furniture/ household appliances
10. Gymnasium/ Health spa
11. Hairdresser/
12. Hardware/ DIY store
13. Jeweler
14. Medical/ Dental/ Optometrist
15. Music/ video store
16. Pharmacy
17. Post office/ courier
18. Restaurant/ Coffee shop
19. Sports store
20. Toy/ games store

6  TENANT MIX STATUS QUO

In terms of your current situation. Indicate on a scale of 1 – 5 how strongly you agree or disagree with the following statements. ( 1 = I disagree entirely, 5 = I agree wholeheartedly).

6.1 Tenant mix in my shopping centre is ideal with respect to my store sales.
   stongly disagree °1 °2 °3 °4 °5 stongly agree

6.2 The tenant mix in my shopping centre is ideal with respect to the centre as a whole.
   stongly disagree °1 °2 °3 °4 °5 stongly agree

6.3 The tenant mix in my shopping centre is ideal for one stop shopping
   stongly disagree °1 °2 °3 °4 °5 stongly agree

6.4 An ideal tenant mix should include a store from each category, to create shopping convenience.
   stongly disagree °1 °2 °3 °4 °5 stongly agree

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"An investigation of the criteria that create synergy in shopping centres through tenant mix."

6.5. The tenant mix in my shopping centre is ideal, and the stores are ideally located within the store layout.  

6.6. Stores within the same categories should be located together to form shopping clusters within the shopping centre.  

6.7. An ideal tenant mix should provide products/services most desired by the primary target market of the shopping center.  

6.8. Socializing and entertainment aspects are a very important part of the modern shopping experience.  

6.9. Closed mall layouts with multiple entrances are a far superior shopping centre layout compared to open mall layouts with street-side shop fronts.  

6.10. Same category stores should be located at varying ends of the shopping centre to create cross-flow foot traffic.  

6.11. A central gathering area, for example an atrium, is an important social aspect of the shopping centre.
"An investigation of the criteria that create synergy in shopping centres through tenant mix."

6.12. The success of my shopping centre is integral to retaining the anchor tenant/s.

6.13 An ideal tenant mix should have a strong central theme, complimented by some convenience categories.

6.14 In reality there is no room for applying scientific approaches to the retail situation.

6.15 Our shopping centre has a very effective forum, where strategic issues are table for the purpose of improving the center’s success.

6.16 The best strategy for developing tenant mix is to evolve the mix as the center matures and develops its character.

6.17 As a tenant, it’s important to me that our center is fully LET.

6.18 Lower fixed rentals and higher turn-over rentals is a good strategy to build synergy within our shopping centre.
"An investigation of the criteria that create synergy in shopping centres through tenant mix."

7. TOP OF MIND BRANDS

As quick as possible type in a store name (the first that comes to mind), next to the following store categories:

7.1 Anchor tenant
7.2 Bookstore/stationery store
7.3 Clothing outfitters/shoe store
7.4 Electronics/Computer/Software
7.5 Furniture/household appliances
7.6 Music/video store
7.8 Pharmacy
7.9 Restaurant/Coffee shop
7.10 Sports store
7.11 Toy/games store

8. SUCCESS MEASURES

Your shopping center rates its self on certain success measures, rank the following 5 items in Order of importance, 1<sup>st</sup> – 5<sup>th</sup>, most important – less important:

8.1 occupancy level
8.2 foot count (traffic past your store)
8.3 basket/conversion rate (average spend per customer)
8.4 turn-over per lettable
An investigation of the criteria that create synergy in shopping centres through tenant mix.

square meter

8.5 essence / character

9. SUCCESS FACTORS

Your shopping center considers the following success factors, rank the following 5 items in order of importance, 1st – 5th, most important – less important:

9.1 quality of location and accessibility

9.2 catchment size and quality

9.3 internal layout and environment

9.4 tenant mix

9.5 car parking provision