

REVISED SHOPPING CENTER TYPOLOGY: TEST AND MARKETING IMPLICATIONS

Helena Czepiec, California State University, Hayward

ABSTRACT

As competition increases and demographic patterns in communities change, shopping centers must market themselves like the retail stores which comprise them. This paper proposes that the traditional consumer goods typology already applied to stores, namely convenience, shopping, and specialty, be extended to shopping centers.

INTRODUCTION

In recent years the decline of many downtown shopping areas provides the best known examples of the failure to do so (Houston and Nevin, 1981). However, the general proliferation of shopping areas is also making it difficult for all the regional shopping centers to prosper.

For shopping centers to successfully develop useful marketing strategies, it is necessary to re-evaluate the criteria along which shopping centers have been traditionally positioned. Shopping centers have been classified for too long primarily on the basis of size and geographic location. Although descriptive, these dimensions are not very useful for developing effective marketing strategies. They ignore store image criteria which underlie many consumers' patronage decisions.

Most commonly shopping centers have been classified into four basic categories: 1) Neighborhood Shopping Strips are designed to serve 7,500 to 40,000 people living 6 to 10 minutes driving distance away. They often consist of stores like a dry cleaner, supermarket, drugstore. 2) Community Shopping Centers are larger and contain at least one primary store like a department store. They serve between 40,000 and 150,000 people within a radius of 3 to 4 miles. 3) Regional Shopping Centers are the among the larger units including more than one anchor store and as many as 200 smaller stores. Regional centers are expected to serve a minimum of 150,000 persons within a radius of 5 or 6 miles. and 4) Central Business Districts are located downtown and are among the oldest shopping areas (McCarthy and Perreault, 1984).

This outmoded classification scheme is based on research that explains individual store patronage either as a function of store size or distance from the consumer (Huff, 1962; Brunner and Mason, 1968; Bucklin, 1967; and Cox and Cooke, 1970). However, the classification scheme fails to incorporate another considerable body of research which finds that consumers' image of a particular store influences their decision to shop at the store (Doyle and Fenwick, 1974; Stanley and Sewall, 1976). Furthermore, research demonstrates a link between consumers' attitudes towards shopping centers and their decision to patronize the shopping center (Bellenger, Robertson, and Greenberg, 1977; Gentry and Burns, 1977; Hauser and Koppelman, 1979; Houston and Nevin, 1981; and Howell and Rogers, 1981).

On the other hand, retail stores have most commonly been classified by marketing oriented managers into three categories convenience, shopping or specialty stores, based on consumers' image as well as the types of products they carry (Bucklin, 1963; McCarthy and Perreault, 1984). Convenience stores are perceived to be convenient places to shop for a variety of reasons, like location and parking. Shopping stores are perceived to be desirable places to shop because of the width and depth of the assortments they carry. Specialty stores are perceived to be special places to shop due to factors like selection or service (McCarthy and Perreault, 1984).

OBJECTIVE

This paper proposes that the traditional consumer goods typology already applied to stores, namely convenience, shopping and specialty, be extended to shopping centers. It is assumed that the typology will be equally effective in helping shopping centers adopt an integrated approach and market themselves appropriately.

It tests the viability of the classification scheme by measuring the differences, if any, in the shopping behavior of respondents who perceive a particular mall as either a convenience, shopping (comparison) or specialty shopping area.

Lastly the paper discusses the strategic retail implications of characterizing shopping centers accordingly. Hopefully this classification scheme will help assist shopping areas to position themselves more effectively to meet consumer needs.

Shopping Mall Typology

A convenience shopping center is one which shoppers visit frequently and regularly to fulfill a variety of needs for emergency, impulse, and staple goods and services. Convenience shopping centers are dominated by convenience stores like hardware, drug stores, and supermarkets. They are usually located in densely populated areas. Shoppers who visit a shopping or specialty store at convenience center do so due to the accessibility of the area. They may not therefore require as extensive a selection.

A shopping good shopping area, which will be referred to as comparison shopping area to avoid confusion, is one shoppers visit less frequently, when they wish to compare quality and prices. Comparison shopping areas consist primarily of shopping stores carrying similar merchandise. Ex-

amples of this concept are shopping areas comprised of factory outlet stores or discount clothing stores or suburban strips with a number of automobile dealerships. Location is not so important for comparison shopping areas since shoppers may be willing to travel great distances for the ability to do all their comparison shopping in one place. Shoppers who visit a convenience or specialty store in a comparison center usually do so because it provides them with another opportunity for comparison shopping.

A specialty shopping area is one in which shoppers visit least frequently when they are searching for a specialty item or special atmosphere. Specialty shopping areas consist primarily of specialty stores which are noted for something exclusive like their atmosphere or selection. A well known example may be Ghirardelli Square in San Francisco. Again location may not be a factor since shoppers are usually willing to travel to find unique offerings and atmosphere. Shoppers rarely seek out convenience stores in a specialty area unless indeed these stores are the most conveniently located. Shoppers visit a shopping store to seek out a special item.

METHODOLOGY

This paper explores whether differences exist between those who do and do not characterize a particular shopping center as being either a convenience, comparison, or specialty center.

Personal interviews were conducted with a convenience sample of 150 adults at the State Street Mall in Chicago, Illinois. Interviews were conducted at various locations along the Mall during one late morning between the hours of 10:00 a.m. and 12:00 p.m.

State Street Mall was selected in part because although \$17 million have been spent on its revitalization there is still great concern about its long run viability. It is competing with another uptown shopping area, Water Tower Place.

The sample was predominantly female (55.5%); white (61.2%); single or divorced (71.1%); did not work downtown (57.4%); had at least some college education (73.2%); and city residents (78%). Slightly over a third were between the ages of 18 and 24 (35.3%) while over a third were between 25 and 49 (38.6%).

To measure consumers' image of the shopping center, the respondents were asked why they shopped at the State Street Mall. Respondents who agreed that they shopped at the State Street Mall mostly for small items during lunch hour perceived State Street as a convenience shopping area. Respondents who agreed that they shopped at the Mall because it was easy to compare merchandise from store to store perceived it as a comparison shopping area. Lastly those who agreed that they shopped at the Mall primarily because it was the only place to find the particular items they were looking for perceived it as a specialty shopping area.

Given the exploratory nature of this research, these items do not include all the dimensions

which necessarily distinguish the three proposed categories of shopping centers. However, they attempt to operationalize the commonly accepted definitions of these categories (McCarthy and Perreault, 1984). Therefore a store and by extension a shopping center is a convenience shopping area if it is easily accessible; a comparison shopping; and a specialty shopping area if it draws customers based on claims of uniqueness or some special benefit unavailable elsewhere. An examination of previous research reveals that the dimensions found to determine mall choice may be subsumed under the proposed three categories. Houston and Nevin's (1981) three dimensions assortment of benefits, facilitative nature, and market posture or positioning can be synonymous with the proposed comparison, convenience, and specialty shopping areas respectively. Howell and Rogers' (1981) convenience, proximity, and accessibility are aspects of a convenience shopping area; fashion shopping of comparison shopping area; and atmosphere and personnel of a specialty shopping area.

Patronage behavior was measured as frequency of visit on a five point scale, ranging from one or more times each week to almost never. Frequency of visit is a common measure of mall choice behavior (Houston and Nevin, 1981; Hauser and Koppelman, 1980; and Gentry and Burns, 1977-78).

The proposed classification scheme has merit if significant differences exist in the patronage behavior of those who perceive the Mall as a convenience shopping center versus those who do not; as a comparison shopping center versus those who do not; and a specialty shopping center versus those who do not.

FINDINGS

The largest proportion of respondents (75%) considered the mall to be a comparison shopping area. They agreed that they shopped there because it was easy to compare merchandise. Some 47% agreed that it was a convenient place to shop for small items. Only 33% agreed that it was a specialty shopping area, where they could find particular items.

There was an association between those individuals who viewed the State Street Mall as a convenience or specialty shopping area and their frequency of shopping at the mall (Table 1). The relationship was weaker between those viewing the Mall as a comparison shopping area and their shopping behavior (Table 1).

People who considered the Mall as a specialty area were much more likely than those who did not to shop "very frequently" at the State Street Mall. Respondents who perceived it as convenience shopping area were more likely than those who did not to be moderately frequent shoppers (one to three times per month). Although the difference was not statistically significant, respondents who perceived the mall as a comparison shopping area were somewhat more likely than those who did not to be very frequent State Street Mall shoppers (Table 1).

Table 1: Differences in Shopping Frequency Among Convenience, Comparison, and Specialty Shopping Area Customers

Frequency	Convenience		Comparison		Specialty	
	Yes	No	Yes	No	Yes	No
One or more times per week	35.2%	35.9%	36.4%	31.1%	46.9%	31.9%
2 or 3 times per month	21.1	17.9	23.3	13.1	21.4	16.6
One time per month	21.8	11.5	16.6	19.7	12.2	22.7
Less than once per month	5.6	12.8	7.0	13.1	14.3	16.2
Almost never	11.3	21.6	12.8	23.0	6.1	21.6
Base	150		150		150	
Chi Square Significant	9.3 .05		6.1 .19		26.8 .00	

MARKETING IMPLICATIONS

Shopping Areas

This study suggests that a revised shopping store typology based on image and store type may be useful for planning marketing strategies. The proposed typology provides guidelines for positioning new shopping areas as integrated entities. Developers can decide based on community attitudes whether a convenience, comparison, or specialty shopping area is most needed. This may be more beneficial than basing positioning decisions primarily on the geographic and demographic characteristics of the residents. They can then promote it accordingly. For example, if the developers wish to position the shopping area as a convenience center they should name the center after the neighborhood in which it is located. This will help promote an identity of the center as being close to home. The revised typology also provides assistance in repositioning established shopping areas.

Prospective shopping center occupants can also evaluate locations based on how well their store fits into the shopping center positioning. For example, a store which considers itself to be a specialty store will think hard about opening in a convenience shopping area.

State Street Mall

Although the findings are based on limited data, they suggest some interesting marketing recommendations for the State Street Mall. The Mall should decide how it wishes to position itself within the proposed framework. There are several alternatives. It might wish to strengthen its position as a specialty shopping area since those shoppers who perceived it accordingly tend to shop frequently. If so, the mall association as well as individual stores should increase retail store promotions. Art fairs, noontime and evening concerts and fashion shows were rated by 40 percent of the respondents as being very important for increasing their shopping on State Street (Petto, 1982). The Mall association should cooperate with the city to sponsor special activities to attract customers.

To court the large number of shoppers who perceive the Mall as a convenience center but shop less frequently, Mall stores should experiment

with more convenient hours. Stores could extend their hours in the morning and evening. During lunch time they could add additional staff to insure faster sales and service.

LIMITATIONS OF STUDY

The proposed typology admittedly has been applied under very limited conditions. If the typology is to be more widely accepted than the proposed measures need to be validated. Additional measures of convenience, comparison, and specialty stores should be tested. The typology should also be applied to multiple shopping centers within a city to see if it is indeed effective in discriminating among them.

More research needs to be conducted to determine whether shoppers' perceptions of the shopping area influences other types of patronage behavior. It is also necessary to identify how the individuals who perceive the shopping area as being a convenience, comparison, or specialty area differ in demographic and psychographic characteristics.

Although more development work is needed, the preliminary evidence supports the importance of rethinking how shopping centers are classified and promoted.

REFERENCES

- Bellenger, Danny N., Robertson, Dan H., and Barnett A. Greenberg (1977), "Shopping Center Patronage Motives," Journal of Retailing, 53, 15 22.
- Brunner, James A. and John L. Mason (1968), "The Influence of Driving Time Upon Shopping Center Performance," Journal of Retailing, 53, 29 38.
- Bucklin, Louis P. (1963), "Retail Strategy and Classification of Consumer Goods," Journal of Marketing, 50 55. _____ (1967), "The Concept of Mass in Intra Urban Shopping," Journal of Marketing, 31, 37 42.
- Cox, William E. and Ernest F. Cooke (1974), "Other Dimensions Involved in Shopping Center Performance," Journal of Marketing, 34, 12 17.
- Doyle, Peter and Ian Fenwick (1974), "How Store Image Affects Shopping Habits in Grocery Chains," Journal of Retailing, 50, 39 52.
- Gentry, James W. and Alvin C. Burns (1977), "How Important Are Evaluative Criteria in Shopping Center Patronage," Journal of Retailing, 53, 73 86.
- Hauser, John R. and Frank S. Koppelman (1979), "Alternative Perceptual Mapping Techniques: Relative Accuracy and Usefulness," Journal of Marketing Research, 16, 495 506.
- Houston, Michael J. and John R. Nevin (1981), "Retail Shopping Area Image: Structure and Congruency Between Downtown Areas and Shopping Centers," Proceedings, Advances in Consumer Research, 677 81.

Howell, Roy E. and Jerry D. Rogers (1981), "Research Into Shopping Mall Choice Behavior," Proceedings, Advances in Consumer Research, 671-76.

Huff, David L. (1962), Determination of Intra-Urban Retail Trade Areas, Los Angeles: University of California Real Estate Research Program.

McCarthy, E. Jerome and William D. Perreault (1984), Basic Marketing, A Managerial Approach, Homewood, IL: Prentice-Hall, Inc.

Petto, Anthony C. (1982), "Promotional Strategies and Needed Changes for Revitalizing the State Street Mall," DePaul University Graduate School of Business Working Papers, Chicago, IL.

Stanley, Thomas J. and Murphy Sewall (1976), "Image Inputs to a Probabilistic Model: Predicting Retail Potential," Journal of Marketing, 40, 48-53.