THE RELATIONSHIP BETWEEN RETAIL TENANTS AND SHOPPING CENTRE MANAGEMENT IN REGIONAL SHOPPING CENTERS – WESTERN CAPE, SOUTH AFRICA

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Thesis submitted for the degree Master of Commerce in Marketing Management at the North-West University

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Graduation: October 2017

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ABSTRACT

THE RELATIONSHIP BETWEEN RETAIL TENANTS AND SHOPPING CENTRE MANAGEMENT IN REGIONAL SHOPPING CENTERS – WESTERN CAPE, SOUTH AFRICA

Today, the idea of what comprises a successful shopping centre has changed significantly. A large number of malls that once were successful are now struggling, and have become a nightmare for their operators and property owners. Many regions are now thoroughly saturated with shopping centres, and trends are changing so quickly that many retail property owners feel confused about what to do next to stay competitive and maintain consumer satisfaction and interest. Today, tenants and consumers are more price-conscious than ever, and demand that malls use the latest technological applications to communicate with them and adapt to their ever-changing needs.

The purpose of the study is to identify the key principles that would contribute to maintaining satisfactory relationships between tenants and management of regional shopping centres to ensure sustainability for both role players. The theoretical underpinnings were two models, one from Mohr and Spekman (1994) and the other one from Morgan and Hunt (1994). These models addressed the empirical testing of relationship quality and were used as the fundamental theoretical base to this study. The study required the implementation of a descriptive research method and was executed during January to March 2016. The study required both a qualitative and quantitative research approach, due to the planned statistical analysis that was to be applied to the data received.

The target population comprised independent mall tenants and shopping centre management of regional shopping centres in the Western Cape, South Africa. All questionnaires were hand-delivered by the researcher herself. A sample size of 93 was realised.

The results from the study indicated that the tenants do believe that trust is the primary component of a possible long-term relationship. If shopping centre management applies the proposed recommendations, this can potentially improve their relationship with tenants. This will also potentially improve customer satisfaction, loyalty, and customer retention.

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LIST OF ABBREVIATIONS

ANOVA: Analysis of variance
BSC: Balanced scorecard
CBD: Central business district
CRM: Customer relationship management
RM: Relationship marketing

CHAPTER 1

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 BACKGROUND AND MOTIVATION FOR THE STUDY

Retail is part of consumers' daily lives, motivated by needs to be satisfied. According to Cant (2010:3), "A retailer may be seen as a business that focuses its marketing efforts on the final consumers, with the intention of selling goods or services to them". In general, retailers operate in a highly competitive and rapidly changing environment which is most challenging, exciting and could offer significant financial rewards. The retail industry of any given country contributes largely to the economy (Prinsloo, 2010:1) and provides many different job opportunities to the citizens of that country (Cant, 2010:4). One of the most important decisions made by a retailer is store location (Ronse *et al.*, 2015:2278). According to Levy and Weitz (2004:218) retailers have three basic types of locations to choose from which include a shopping centre, a city or town location, or a freestanding location.

Shopping centres are one of the main types of retail outlets in South Africa. The strongest point a shopping centre as a retail concept has, is most probably the wide variety of merchandise, services and entertainment it offers.

The population relevant to this research will consist of independent mall tenants as well as the management of regional shopping centres in the Western Cape. An independent tenant can be defined as "someone who is completely responsible for his/her own business". These independent retailers are primarily the sole owners and has been integral to the development and growth of these entities. A regional shopping centre has a gross leasable area between 37 000 m^2 up to 74 000 m^2 with at least two anchor stores (Prinsloo, 2010:25). There are 332 shopping centres in the Western Cape, of which six can be classified as major regional shopping centres.

The success of a business relationship lies in the development and growth of trust and commitment among the role players (Berndt & Tait, 2012:24). The tenants of the shopping centre and the management of the centre need to have shared goals and mutual benefits, in order to build a successful relationship. The management teams of shopping centres need to gather information about individual tenants to be able to tailor specific services rendered to them. Shopping centre management also needs to be more flexible in their engagement with tenants and treat their customers as the individuals they are, rather than with a one-paintbrush-for-all-canvasses approach. Relationship marketing focuses on improving relationships with existing customers (Berndt & Tait, 2012:6). A business cannot focus on all relationships at once, since doing so would simply not be feasible. In order to build successful relationships, a business need to take into account essential requirements for a relationship, namely trust, communication, shared goals, satisfaction and loyalty.

Kirkup and Rafiq (1991:132) observed a lack of co-operation between centre management and the tenants of shopping centres. The latter believed that the parties do not see the tenants and management as a '*single business*' which implies that the effectiveness of their relationship is at risk, because of a lack of collaboration. Chandler observed in 2001 (cited in Roberts *et al.*, 2010:598) that a degree of tension between centre management and tenants exists. It further seems that centre management has considerable power which they may potentially or allegedly, abuse. Gosh and McLaffery (1991) and Jones (1991) believe that an imbalance between tenants and centre management arises in relation to centre promotions (cited in Roberts *et al.*, 2010:599). Previous empirical studies as well as secondary literature confirmed that the business to business (B2B) relationship between tenants and shopping centre management can fail or succeed depending on how the parties '*behave*' towards each other (Ford *et al.*, 2003:38). Personal industry experience support these afore argumentative literature towards potential conflicted tenant – management relationships. As a result, this study will endeavour to explore possibilities of streamlining the working relationship between the retailer and the management of the shopping centre to ensure the sustainability of the centre as well as the profitability of the retailer.

The primary objective of this study was to identify (qualitatively) and test (quantitatively) key success variables that should contribute to maintaining satisfactory relationships between tenants and management of regional shopping centres to ensure sustainability for both role players.

1.2 INTRODUCTION

Regional shopping centres have shown internal growth since the last part of the 1990s and have become a prominent feature and integral part of the modern urban landscape (Prinsloo, 2010:1).

A shopping centre is a "group of retail and other commercial establishments that are planned, developed, owned and managed as a single property," (Levy &Weitz, 2004:199).

The development of shopping centres has mushroomed since the Second World War, particularly since after the sixties. It has since become a 20th century phenomenon (Cloete, 2003:8).

According to Amanda Stops, CEO of the SACSC, South Africans can expect to see more shopping centres built during the next 10 years as property owners initiate new shopping centres to unlock markets (Anon., 2015). These new developments will be focused in South Africa's major metropolitan areas such as Johannesburg, Cape Town, eThekweni and Tshwane. According to Statistics South Africa (SSA), South Africa's mid-year population estimates (2015:2), Gauteng and the Western Cape to show positive increases in numbers and also to have the highest average annual household income. Consequently, there should be a potential need for new shopping centres.

The role of shopping centres can be seen from different perspectives. It can be seen as a place of business, it can be viewed as a property and lastly as an investment (Pitt & Musa, 2009:39). Therefore, shopping centre managers need to understand these perspectives before developing their own objectives and policies.

Current shopping centre management encounters many different challenges which include identifying, understanding and meeting the ongoing needs of consumers, retailers and the mall owners (Pitt & Musa, 2009:39). The increasing sophistication of shoppers and the proliferations of centres means that competition for the customer's commercial rand is more intense than ever. This implies that the effective marketing of a shopping centre is critical to its current performance and sustainability in the future. The marketing plan requires a commitment from the centre's owners and ongoing support from tenants and other parties connected with the centre (Du Plessis, *et al.*, 2012:533).

Retailers should see centre managers as part of their team, because they can add expert knowledge and industry expertise, which can add value to the successful functioning of their outlets and benefit the mall in totality (Cloete, 2003:400).

Relationship marketing aims to satisfy existing customers by showing them that the business cares and is interested in a long-term, satisfying relationship (Berndt & Tait, 2012:6).

Many businesses spend a great deal of effort, time and money to attract new customers, but surprisingly few take equal trouble to retain existing customers. Very few businesses also actually go to the trouble of regularly measuring customer satisfaction in any systematic way, partly because they are obsessed with the need to win new customers, and partly because they fail to understand the real meaning of customer retention. According to Munusamy *et al.* (2010:399) customer satisfaction is considered a prerequisite for customer retention and loyalty, and contributes to realising economic goals, such as profitability, market share and return on investment.

Applicable relevant business relationship terminologies within the business environment are generally refer to as B2B and B2C. Within the context of this study, either could be applicable. The term B2B refers to transactions between two businesses where both the buyer and seller are business owners (as in the case of tenants and shopping centre management teams). The term B2C refers to transactions between a business and end-user (as in the case of tenants and shopping centre management teams).

For the purpose of this study, secondary literature has been addressed towards both relationship phenomena. Although both B2B and B2C are relevant within the context of this study, focus was predominantly on B2C.

1.3 PROBLEM STATEMENT

1.3.1 Research problem

Currently there are many non-conducive relationships between tenants and landlords in the regional shopping centre environment. Literature confirms that trust, commitment, communication and shared goals are some of the most important elements to build sustainable relationships. Against the background mentioned afore, the research problem that has been investigated within the ambit of this dissertation reads as follows: there is no trust, commitment and shared values between independent retailers of regional shopping centres and the management teams of these centres.

This empirical research focussed on independent mall tenants located in three of the six major regional shopping centres and their management teams in the Western Cape of South Africa.

1.3.2 Research question

The research question for this study reads as follows: Is there a satisfactory relationship between tenants and shopping centre management to obtain mutual value?

1.3.3 Investigative questions

The following investigative questions are formulated in support of the research question:

- Which factors contribute to a successful business to customer (B2C) relationship?

- How do tenants view their relationship with management?

- Does centre management satisfy their customers' needs?

- What is the benefit to centre management of viewing their tenants as long-time customers?

- How does centre management retain successful tenants?

1.4 OBJECTIVES OF THE STUDY

According to Wiid and Diggines (2009:50), "The research objectives indicate broadly what the research hopes to accomplish. *An answer must be found to the question: What is the purpose of the marketing survey*?"

1.4.1 Primary objective

The primary objective of this study was to:

- Identify key principles that would contribute to maintaining satisfactory relationships between tenants and management of regional shopping centres to ensure sustainability for both role players.

1.4.2 Secondary objectives

- Undertaking a literature analysis of the meaning of a relationship in a business to customer (B2C) environment and the principles that constitute to a successful relationship.

- Determining how tenants experience their involvement in the running of the shopping centre?

- Determining tenants' expectations regarding their relationship with management.

- Determining which factors support the retention of centre management's customers.

1.5 RESEARCH DESIGN AND METHODOLOGY

1.5.1 Research method

In this dissertation, research was conducted in the social world and was theoretical in nature using the qualitative research paradigm as a starting point. According to Leedy and Ormrod (2010:94), qualitative research involves looking at characteristics or qualities that cannot be reduced to numerical values easily. Qualitative researchers look at and analyse the complexities of a particular phenomenon. The researcher conducted personal interviews with three members of management of regional shopping centres as well as six tenants to establish the variables essential to securing their complex relationship, as well as to identify problem areas in their relationships. According to Berndt and Tait (2012:24), the essential components of a relationship are trust, commitment, shared goals and mutual benefits.

Thereafter, the researcher also conducted quantitative research by constructing a questionnaire which contained the essential ingredients of a relationship. Leedy and Ormrod (2010:94) describe quantitative research as "looking at amounts, or quantities, of one or more variables of interest". Interviewer-administered surveys were conducted to collect quantitative data. Questionnaires were distributed to willing independent tenants of selected regional shopping centres. The advantages of using survey interviews are that the researcher can clarify uncertainties, motivate and encourage respondents to answer.

1.5.2 Research design

A research design serves as a bridge between what has been established (research objectives) and what is to be done in the conduct of the study to realise objectives (Luck & Rubin, 1987:52). It serves as a "master plan" for executing the research project. According to Cooper and Schindler (2003:146) the research design represents the "blueprint" for measuring the collected data.

There are three general types of designs namely descriptive, exploratory and casual designs (Luck & Rubin, 1987:56). This study focused on a descriptive design which described a phenomena without establishing an association between factors (Luck & Rubin, 1987:56). The emphasis was on an in-depth description of a specific situation, organisation or attitudes

(Widd & Diggines, 2009:55). The researcher wanted to determine the "nature of how things are" (Leedy & Ormrod, 2013:206) by describing the relationship between the tenants and the shopping centre management team.

This empirical study focused on independent mall tenants of three regional shopping centres in the Western Cape. The unit of analysis that was used in this dissertation is represented by the tenants and the management of these three regional shopping centres.

The researcher collected the relevant data, summarised this data and interpreted the numbers by using statistics (Leedy & Ormrod, 2013:270). Statistics can be described as a group of computational procedures that enable the researcher to find patterns and meaning in numerical data (Leedy & Ormrod, 2013:270).

1.5.3 Population

The population relevant to this research consisted of mall tenants of regional shopping centres in the Western Cape. A regional shopping centre is a shopping mall which is designed to serve a larger area (25 km) than a conventional shopping mall, with a gross leasable area between 37 000 m^2 up to74 000 m^2 and at least two anchor stores (Prinsloo, 2010:25).

SSA's midyear population estimates (2015:2) reflect that the Western Cape Province will have a population of approximately 11.3 million people. It is the fourth most populous province of South Africa and covering an area of 12 946 square kilometres, it takes up 10, 6% of the country's total land area.

There are approximately 332 shopping centres in the Western Cape, of which six can be classified as regional shopping centres. These six regional shopping centres include 928 tenants (Prinsloo, 2010:25).

The population distribution within this study is being reflected in Figure 1:1.

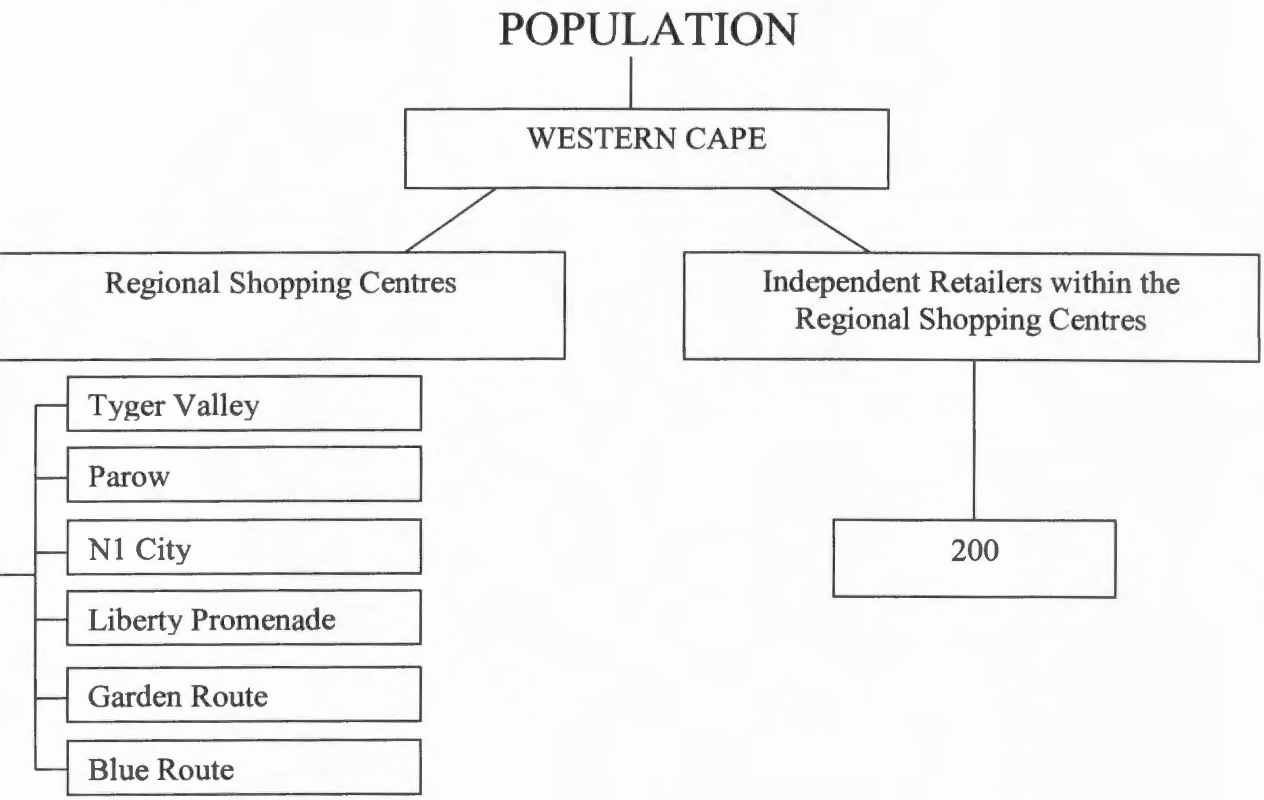

Figure 1:1 Population

1.5.4 Sampling

It is neither possible nor feasible to collect data from each respondent that forms part of the identified group. The researcher therefore selects a sample of the population (Widd & Diggines, 2009:191) to be able to draw conclusions about the whole population in a more cost-effective, less time-consuming way.

According to Collins and Hussey (2003: 155–160), a sample is made up of some members of a "*population*". The latter refers to a body of people or to any other collection of items under construction for the purpose of the research. Sampling methods can be divided into two major categories: probability and non-probability sampling (Widd & Diggines, 2009:199).

The samples and sample type used in this research study was non-probability sampling and the method used was purposive convenient sampling. In non-probability sampling, all the elements in the population will not have an equal opportunity to form part of the sample (Du-

Plooy-Cilliers *et al.*, 2014:137). In purposive sampling, respondents were identified based on the fact that they are functioning as independent retailers in a regional shopping centre environment. Within the context of purposively identified respondents, convenient sampling was used during the execution of the questionnaire completion. This approached is supported by Du-Plooy-Cilliers (2014:142)..."*our sample consists purely of elements that we know or that we are able to get quick and easy access to*". The researcher identified 200 independent retail tenants who are "typical" of a group who represent diverse perspectives on the issues of relationship marketing (Leedy & Ormrod, 2013:215). The researcher had to be aware of bias which could enter the process (Dawson, 2007:52). However, the insider status of the researcher may help to obtain information or access which might not be available to other researchers (Dawson, 2007:52). The sampling application is reflected in Figure 1:2.

Figure 1:2 Sampling contextualised

1.5.5 Data collection

Data collection was two-fold in nature. A mixed method approach was followed concluding to the following: face to face semi-structured interviews were conducted with one management member of each regional mall, and two similar interviews with independent tenants in each mall. Relevant business relationship variables, identified after transcript analysis, were then used for quantitative purposes.

A questionnaire was designed in order to achieve the aim of collecting accurate, reliable and specific information (Widd & Diggines, 2009:182). According to Luck and Rubin, "A questionnaire is simply a formalised schedule to obtain and record specified and relevant information with tolerable accuracy and completeness" (1987:173).

Section A comprised of business data of the respondents. Section B.1 and Section B.2 consist of a four-point itemised Interval Scale based on 15 items consisting of relationship variables. Responses on the scale range from 1 = strongly disagree to 4 = strongly agree. Section C comprised the demographic details of the respondents.

1.5.6 Data analysis

A statistical analysis of data was conducted in cooperation with the statistical services at North-West University, Potchefstroom campus. Microsoft Excel was used to capture the data on a spreadsheet. SPSS Inc. (2016) was used to perform the data analysis.

Frequency tables were used as a descriptive tool to provide data about the demographic details of the retailers. Exploratory factor analysis was also conducted to examine the way items are correlated with one another and to identify the number of factors and what they have in common. Reliability tests such as the Cronbach's Alpha test were done to determine the internal consistency of the relationship variables. Data analysis also included T-tests to determine the statistical and practical significance of the data and the analysis of variance (ANOVA) to determine whether the means of the different groups were equal and could therefore be generalised.

1.6 CONCEPTUALISATION OF THE STUDY

Skimming the surface to answer some of the research questions is not advisable. It is impeccable to dig deep to get a thorough understanding of the phenomenon that is being studied. According to Du Plooy *et al.* (2014:115) in social research, the process of coming to an agreement about what terms mean is conceptualisation. In other words, the specification and agreement on the meaning of particular terms, is called conceptualisation.

The conceptual framework explains the main dimensions to be studied – the key variables and the presumed relationship between them (Ang, 2014:7). The conceptual framework is contained in the research problem statement. Each key word in the problem statement forms a key component which guides the researcher towards an appropriate structure to conduct the literature review (Quinlan, 2011:137).

According to Ang (2014:7), it is often easier to generate a conceptual framework after a list of research questions were formulated. For this study the primary research question was to determine whether there is a satisfactory relationship between independent tenants and relevant shopping centre management.

In Figure 1:3 a conceptual reflection of this study is being visualised.

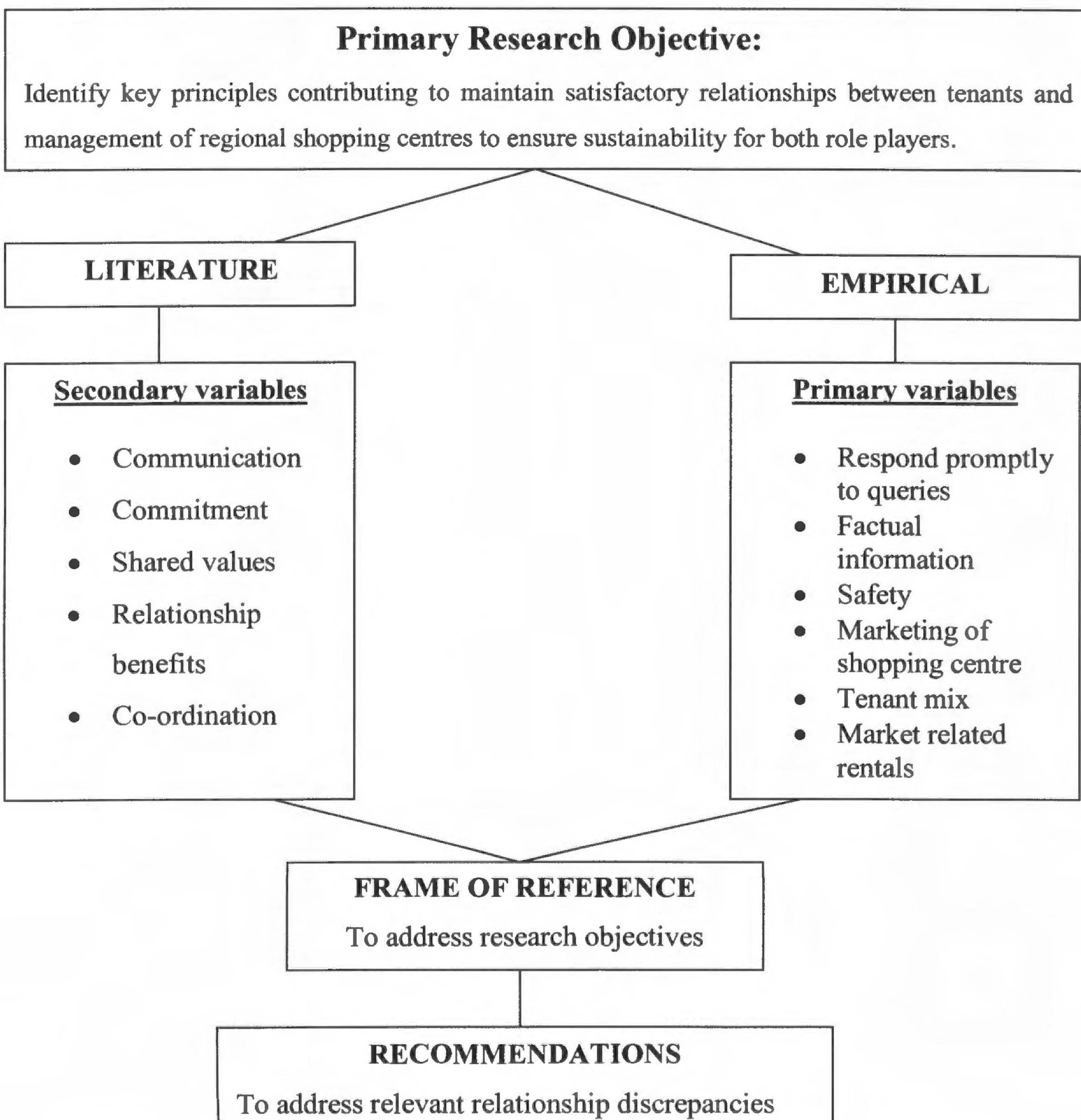

Figure 1:3 Conceptual framework

1.7 VALIDITY AND RELIABILITY

Collins and Hussey (2003:186) describe validity as "The extent to which the research findings accurately represent what is happening. More specifically, whether the data is a true picture of what is being studied." According to Cooper and Schindler (2006:318–320), three major forms of validity can be identified, namely:

1. Content validity.
2. Criterion-related validity, and
3. Construct validity.

Reliability is concerned with the findings of the research (Collins & Hussey, 2003:186). The findings can be said to be reliable if you or anyone else repeat the research and obtain the same results.

1.8 ETHICS

Ethics refer to the appropriateness of your behaviour in relation to the rights of those who become the subject of the research, or are affected by it. All information gathered for this research will be used for academic purposes only.

Respondents were advised about the nature of the study being conducted and given a choice of either participation or non-participation. Respondents' privacy was also protected during the study. The researcher reported the findings in a complete and honest fashion, without misrepresenting or compromising the outcome of the study.

1.9 CONCLUSION

Chapter 1 provides the background to the study and the introduction. It also provides the problem statement and the objectives of this study. The research design and methodology used are also described. Chapter 2 focuses on marketing and the retail industry and will be discussed next.

CHAPTER 2

MARKETING AND THE RETAIL INDUSTRY

2.1 INTRODUCTION

Chapter 2 and 3 present a review of literature regarding the relationship between the independent tenants and the management of regional shopping centres. A further exploration of concepts such as marketing, relationship marketing, customer relationship management, trust and loyalty will be discussed in detail.

2.2 MARKETING

What happens in marketing? Consumer needs are identified, the business develops a product or service which will address those needs, value is added and communicated to customers and then they are encouraged to buy the product at a certain price. If the customer is satisfied, a relationship between the customer and the business can develop (Du Plessis *et al.*, 2012:4). Thus, customers are the focal point of all marketing activities.

The nature of marketing has changed in the past few years, together with the increasing performance of technology and associated developments in strategic thinking which gave rise to an entirely new discipline in marketing: relationship marketing (Gordon, 2013:xv). According to the traditional or transactional marketing concepts, the major focus of marketing programmes has been to make customers buy, regardless of whether they are existing or new customers (Berndt & Tait, 2012:5).

Since the 1990s, the emphasis has been on personalised marketing, in which knowledge about the individual customers is used to guide highly focused marketing strategies. According to Gordon (2013:xvi), "The nature of marketing has shifted in just a few years from a one-way monologue as companies advertise to consumers, to a two-way dialogue in which the company sought to understand and communicate with each customer, to engaging with customers in a two-way dialogue that recognised the customer's social context".

Marketing also forms an integral part in the South African retail industry. The retailer, as such, plays a dominant role in satisfying customer needs. The retailer provides the products and services needed by the customer in the right place, at the right time and in the right quantity. Cloete (2003:79) confirms the previous statement by saying that retailing is a business that focuses its marketing activities on the final customer. Success in retailing depends on a retail manager's ability to properly interpret when and how customers' needs are changing to be able to build a strategy to respond to those changes (Dunn & Lusch, 2005:11).

Within the context of this study, shopping centre's management teams should understand that the needs of their tenants are individually different and thus be handled accordingly. This kind of attention to detail almost ensure satisfied tenants. This in turn foster tenant longevity with the shopping centre (Chen & Lin, 2012:207).

Now, it is appropriate to examine how researchers and scholars define marketing.

2.2.1 Definition of marketing

What does the term "marketing" mean? Marketing has two sides. Firstly, it is a philosophy, an attitude, a perspective, and a management orientation that emphasises customer satisfaction. Secondly, marketing is a set of activities used to put these philosophies into practise (Lamb *et al.*, 2004:5). The essence of marketing aims to satisfy customers' needs. Marketing deals with customers and managing profitable customer relationships.

Grönroos (1997:407) defines marketing as follows: "It is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met". This definition attempts to incorporate both the transactional as well as the relational qualities of marketing. Traditional marketing focused on mass everything – mass production, distribution, communication and positioning (Gordon, 2013:xvii). Many marketers ignored the individual's needs, because the business' profit didn't depend on a single customer.

Rix (2003:7) further describes marketing as a system of business activities aimed at achieving organisational goals by developing, pricing, distributing and promoting products and services that will satisfy customers' wants and adds that everything a company does, must be customer-orientated. Marketing is defined by Kotler and Armstrong (2006:5) as the process through which companies create value for customers, and build strong relationships with them in order to achieve sustainable profits over the long term.

Marketing happens when people decide to satisfy needs and wants through exchange relationships. According to Kotler and Armstrong (2006:7), "Exchange is the act of obtaining a desired object from someone by offering something in return". Exchange plays an important role in the concept of marketing. Lamb *et al.*, (2004:7) and Du Plessis *et al.*, (2012:10) point out that five conditions must be in place for any kind of exchange to take place:

- There must at least be two parties (a buyer and seller).
- Each party must have something the other party values.
- Each party must be able to communicate with the other party and be able to deliver the goods or services wanted.
- Each party must be free to accept or reject the offer.
- Each party must be willing to deal with the other party.

According to Lamb *et al.* (2004:7) exchange might not take place even if all the above conditions are met. Marketers need to build strong relationships and retain customers by consistently delivering superior value to their customers. Customer satisfaction is therefore the most important goal of marketing and only happens when a product or service has met or even exceeded the customers' expectations (Du Plessis *et al.*, 2012:10).

Marketing is also described by Pride and Ferrell (2010:4) as the process of creating, distributing, promoting, pricing goods and services to facilitate satisfying exchange relationships with customers to develop and maintain favourable relationships with all stakeholders in a dynamic environment. Du Plessis *et al.* (2012:5) summarised the definitions of some well-known authors and professional marketing associations as follows: "Marketing is the process by which organisations create value for customers in the form of ideas, goods and services, to facilitate satisfying exchange relationships and to capture value for customers".

Following is a synthesised definition of marketing based on the various definitions reflected: ***Marketing is a process, the ultimate goal of which is to meet consumer needs satisfactorily, build sustainable relationships with customers and accomplish the business' profit targets.***

Applying this synthesis within the context of B2C is as follows: "......shopping centres' management teams should satisfy their independent tenants' needs to build and retain a sustainable relationship....."

Marketing has changed over time though as the discipline has developed and adapted to new influences. Specific philosophies dominate marketing thoughts and practices during different time periods. The different philosophies will be discussed next.

2.2.2 The evolution of marketing

There are six competing philosophies that can influence or guide any company's marketing efforts. These philosophies are commonly referred to as production, product, sales, marketing, societal and relationship marketing orientations. Although they still manifest themselves in marketing activities to this day, each one of them played a significant role in the historical development of the discipline of marketing (Lamb *et al.*, 2004:8).

2.2.2.1 Production orientation (1850 – 1930)

A production orientation is a philosophy that focuses on the internal production capabilities of the firm rather than on the needs and wants of customers (Lamb *et al.*, 2004:8). The production era culminated in the Industrial Revolution, when the world made significant progress in improving production processes. Electricity, rail transport, assembly lines and the division of labour made it possible to produce goods more efficiently (Pride & Ferrell, 2010:12). The production philosophy entails the notion that consumers will favour products that are available and affordable.

2.2.2.2 Product orientation (1930 – 1940)

The product era started once most firms had sorted out their production processes and related problems. Businesses shifted their attention to improve product features and product quality instead of developing new products and technology (Tosun *et al.*, 2008:130). This concept holds that consumers will favour products that offer them the most quality (Lamb *et al.*, 2004:9), performance and innovative features (Kotler & Armstrong, 2006:10). As a result, they believed that businesses should devote their time, money and energy to constantly improving their products. During this phase, businesses did not pay much attention to what their competitors are up to. Fortunately for these businesses, customer expectations were rather low and their open-mindedness towards the variety of available products were high (Payne, 2006:7).

2.2.2.3 Selling orientation (1940 – 1950)

During the 1940's, the strong demand for products subsided. Businesses started to believe that customers would buy more goods and services if aggressive sales techniques were used (Kotler & Armstong, 2004:10). The goal is to sell (Rix, 2004:9) what they make, as opposed to the consumer's needs. It focuses on selling things and collecting money rather than on building a long-term relationship with customers. The most important marketing activities included personal selling, advertising and distribution (Pride & Ferrell, 2010:13; Tosun *et al.*, 2008:130).

The "*transactional*" approach to marketing is deeply rooted in the production, product and selling orientations. In transactional marketing, the sale was the objective and the end result of the marketing effort (Cant *et al.,* 2006:258). Payne and Frow (2013:11), also refer to transactional marketing (also called traditional marketing) as the "*make and sell*" philosophy. Lamb *et al.* (2004:9) describe transactional marketing as a business strategy that focuses on a single point of sale as well as developing strategies that would optimise expenditure on the marketing mix in order to maximise the businesses' turnover. Traditional marketing aims to meet the needs and objectives of the seller and lack the understanding of the needs and wants of customers (Lamb *et al.*, 2004:9).

2.2.2.4 Consumer orientation (1950 – 1970)

The consumer orientation, which is the foundation of the contemporary marketing philosophy, is based on an understanding that a sale depends not simply on excellent production facilities and on an aggressive sales force, but on the thorough understanding of the needs and the wants of the consumer (Lamb *et al.*, 2004:9). Businesses need to deliver those products and services that will exceed the desired expectations of the customer more efficiently than that of the competitors. A business must become customer oriented, but simultaneously reach acceptable profits (Rix, 2004:10). Customer centricity can be seen as similar to the marketing orientation, because it refers to how the business orients itself towards the needs and behaviours of its customers. A customer-centric business creates meaningful value for customers and involves developing relationships with them (Du Plessis *et al.*, 2012:5). These businesses should become "*listening businesses*" to be able to respond to information from customers.

Trust, openness, honouring promises, respect and collaboration are import values if a business decides to become more consumer oriented. Everyone in the business must share information that is pertinent to understanding the customers. Marketing orientation also involves being responsive to ever-changing customer needs and wants.

Customer satisfaction is a positive reaction to a purchase decision after the sale has been concluded. According to Du Plessis *et al.* (2012:10), customer satisfaction happens when a product or service has met or even succeed the customer's expectations. It is important for all businesses to assess customer satisfaction, because that will indicate if the business has successfully implemented the marketing concept. According to Rix (2003:15) "*The marketing concept is a business philosophy that states that customers want satisfaction as the economic and social justification for a firm's existence*". The marketing concept is based on customers' real needs, but also includes:

- the integration of all the business activities where the individual contribution of each function satisfy the customer's needs,
- achieving the long-term objectives of the business,

- acting in a responsible way in satisfying the needs of customers (Du Plessis *et al.*, 2012:4).

Kotler and Armstrong (2006:10) believe that "*customer satisfaction is no longer a fad. It becomes a way of life in corporate cultures*".

Many businesses favour the concept of the marketing orientation, but soon realised that there are more requirements to satisfying consumer needs, which then lead to the societal and relationship orientations.

2.2.2.5 Societal orientation (1970+)

The societal marketing concept holds that businesses should not only exist to satisfy the needs of customers, but also take the long-term interest of the society and community into consideration (Du Plessis *et al.*, 2012:4; Kotler & Armstrong, 2006:11). This orientation is concerned about the impact of the pure marketing concept (see section 2.5) on environmental problems, resource shortages, population growth, worldwide economic problems and social services. This philosophy also has a close relationship with the ethics of marketing. Acceptance of the societal marketing orientation is an acknowledgement by marketers that businesses do not operate in isolation and that they need to make a contribution to the society in which they operate.

The four afore orientations will be inadequate within the current B2C marketing environment due to the lack of establishing and maintaining of business relationships. During these orientations, tenants had little or no input in the operational function of the shopping centre. Landlord owners can no longer ignore the inter dependency between themselves and their tenant customers. Malik (2010:36) supports this notion by stating that due to customer-focused approach by businesses, it shaped a new era of marketing, namely that of relationship marketing (RM) which will be discussed next.

2.2.2.6 Relationship marketing orientation (1995 +)

Customer loyalty and building a long-term relationship with customers are the most recent refinement of the marketing concept (Lamb *et al.*, 2004:10). Businesses build relationships with customers by offering value and providing satisfaction on a regular basis. The customers that you want to have a relationship with, must be identified, along with establishing what is import to them and how they prefer the relationship to be (Du Plessis *et al.*, 2012:12). The focus of relationship marketing is on attracting and retaining customers through trust and commitment, but it also include the sharing of information. Successful relationships with customers will lead to an increase in sales, market share and profits. In the long term, costs reduced because it is less expensive to serve existing customers than to attract new ones. The social bonding that takes place between the business and the customer ensures personalisation and customisation of the relationship. Eventually this interaction becomes a solid relationship that allows for cooperation, mutual dependency and commitment (Pride & Ferrell, 2010:14).

Du Plessis *et al.* (2012:12) though, do not agree with some authors by seeing the relationship concept as a different philosophy of marketing, but argue that if the marketing concept is successfully implemented, it will ultimately lead to customer loyalty and retention. Du Plessis *et al.* (2012:12) add that the transaction with the customer does not end when a sale is made, but is only the beginning of a relationship.

Within the context of this study, the RM philosophy applies. RM is dualistic in nature. Independent tenants should be treated by landlords as potential investment assets in the sense that malls are only as successful as their tenants/customer's performance. Thus, a common objective for both parties should be aspired to which might ensure a higher possibility of financial success. In general, B2C refer to businesses and customers, however independent retailers within a mall environment are both considered clients towards the mall management as well as retail outlets towards final consumers. Thus, in the next section, supported by the notion of independent retailers – the retail industry will be addressed.

2.3 THE RETAIL INDUSTRY IN SOUTH AFRICA : INTRODUCTION

Retailing is evolving into a global, high-tech industry that plays a major role in the global economy. Retailing is a business that focuses its marketing activities on the end consumer (Cloete, 2003:79). Retailing is simply about giving the customer what she/he wants (Markham, 2016:11). Thus, independent retailers should follow the marketing concept guidelines, in this case, customer orientation. Within the context of shopping centre management and independent tenant (retailer) Markham (2016:11) does not agree with the current relationship status quo and comments "*it is pretty certain that most developers (mall management) and more particular investors, have not known what customers (independent tenants) wanted, and also did not care as long as the rent were received at the end of the month*".

Retailing can take many different forms, such as shop retailing, telephone sales, door-to-door sales and even vending machine sales (Pride & Ferrell, 2010:424). Retailers range from street vendors selling "*boerewors*" rolls to Internet retailers to multichannel retailers that have both an extensive physical store presence and an active Internet site (Levy & Weitz, 2009:36). The Internet influenced consumer behaviour to such an extent that physical retailers had to quit trading in shopping centres (Molenaar, 2015:3).

Retailing is important to the South African economy, because this industry provides many job opportunities. According to Du Plessis *et al.*, (2012:490), retailers employ almost 20% of the total South African workforce and most customers' personal income is spent in retail stores.

Retailers do not operate in a static, closed environment; they operate in a continuously changing and very competitive environment. Pride and Ferrell (2010:425) add that new store formats and advances in information technology are making the retail environment highly dynamic and competitive. Retailers have access to an ever-increasing mountain of information which ultimately should allow them to target customers selectively. Success in retailing depends on a retail manager's ability to properly interpret what changes are occurring and build a strategy to respond to those changes (Dunn & Lusch, 2005:11). Furthermore, success in retailing demands a strong customer focus with a retail strategy that provides the level of service, product quality and innovation that customers' desire. Molenaar (2015:3) further reiterates that that customers want to be known and recognised.

2.3.1 Defining retail

The retail trade industry can be defined by using the classifications from the Standard Industrial Classification (SIC) from Statistics South Africa, as the reselling (sale without transformation) of new and used goods to the general public for personal or household consumption or use by shops, department stores, stalls, mail-order houses, hawkers and peddlers, consumer co-operatives, etc. (Anon., 2012).

Retail can be described as the set of business activities that adds value to the products and or services sold to consumers for their personal use (Levy & Weitz, 2009:6 and Du Plessis *et al.*, 2012:493). According to Mason and Mayer (1990:5), retailing is an activity that includes the sale of goods and services to the ultimate consumer (Pride & Ferrell, 2010:225) while Dunne & Lusch (2005:3) describe retailing as final activities and steps needed to place a product in the hands of the consumer or to provide services to the consumer. Terblanche (1998:2) agrees with the abovementioned authors, but stresses that retailing must be seen as a business that focuses its marketing efforts on end consumers with the intention of selling goods or services to them.

There is definitely a consensus among authors that the retailer is an important and diverse player in the downstream activities of the supply chain, and plays an important part in providing value to the customers (Du Plessis *et al.*, 2012:493).

Following is a synthesised definition of retail based on all definitions given: "***Retail includes different business activities that focus on selling goods and or services to final consumers for own use or to be used by their families. Retailers must remain focused on the evolving and changing environment, as well as the needs of the customers, to be able to sustain their profits in a dynamic business environment***". Within the context of this study, shopping centre managers should focus on the dynamic needs of the independent retail tenants in order to maintain a satisfactory relationship.

2.3.2 The retailing concept

According to Terblanche (1998:7), the retailing concept consists of three interrelated elements, namely:

1. A customer orientation which requires the retailer to determine and focus on customers' needs and wants.
2. An integration and co-ordination of all the retailer's plans and activities to satisfy customers' needs and wants.
3. A goal orientation which aims at achieving financial and non-financial objectives by addressing consumer needs and wants with an integrated and coordinated approach by the retailer.

Many successful retailers apply the retailing concept to guide their businesses, because the retailing concept justifies a retailer's existence on the basis that it strives towards the satisfaction of customer's needs and wants, while simultaneously achieving the retailer's own objectives (Terblanche, 1998:7). When the retailing concept is properly carried out, customers will experience the "*total retail experience*" which entails satisfactory levels of service quality and the development of a long-term relationship with the retailer (Terblanche, 1998:8). The total retail experience aims at meeting customer expectations. Nadiri (2011) adds that retailers should adopt new ideas/strategies related to customer expectations leading to increased customer satisfaction (cited in Rodriguez *et al.*, 2016:18). Emergent retail technologies will be addressed in paragraph 2.4.4.8 (Trends in the South African retailing).

2.3.3 Classification of South African retailing

The complexity, magnitude, and dynamics of retailing can best be understood by analysing its structure (Mason & Mayer, 1990:5). The different ways of classifying retail structures will assist the understanding of the retailers' strategies for competing in the marketplace (Mason & Mayer, 1990:5).

Levy and Weitz (2009:36) as well as Du Plessis *et al.*, (2012:494) index retailers according to the classification model of Kotler and Armstrong (Kotler & Armstrong, 2006:397) who use four characteristics namely:

1. the amount of service they offer,
2. the different product lines they carry,
3. the prices they charge, and
4. the way they are organised.

Classification of retailing by means of the degree of service is a well-known and accepted practice in South Africa (Du Plessis *et al.*, 2012:495). Self-service, limited service and full service to the customer are included within this classification. Classifying retailers according to the product lines they carry means grouping them into one of two categories namely: general-merchandise stores or specialty stores (Rix, 2003:379). Classification according to product assortment (Pride & Ferrell, 2010:425) includes general dealers, speciality stores, department stores, supermarkets, convenience stores, hypermarkets and service businesses.

Retailers can also be classified according to the relative prices they charge. Discount stores and factory shops are different from each other, because of the prices they charge for product ranges they carry. According to Pride and Ferrell (2010:427), discount stores accept lower margins than conventional stores in exchange for higher turnover. They carry a wide, but carefully selected assortment of products, including food products, toys, garden supplies, sport equipment, and so on, to keep inventory turnover high. The last characteristic mentioned in the classification model of Kotler and Armstrong, (Kotler & Armstrong, 2006:397) is categorising store retailers by the type of ownership or organisation (Levy & Weitz, 2009:62 and Rix, 2003:378). Independent, single-store establishments, chain stores, voluntary chains and franchise operations are included under this classification.

In food and general merchandise, retailers' customers buy from them by visiting them in their stores. In non-store retailing the opposite is true. Online retailing in the country has entered a period of sustained acceleration (Anon., 2012).

There are a few unique trends in South African retailing which will be discussed next.

2.3.4 Trends in the South African retailing

2.3.4.1 Online retailing

According to a Kearney (2015) and Mastercard (2012) cited in Lee and Barnes (2016:3) low levels of prior Internet penetration and connectivity in South Africa were the reasons why less customers may have shopped online compared to other developed countries. Currently, the growth in Internet access has primarily been fuelled by high mobile penetration with 61% of users accessing the Internet via their mobile phones (World Wide Worx, 2010) cited in Lee and Barnes (2016:3). The bulk of South African shoppers still enjoy visiting shopping centres, because of the social experience and human interaction. According to the latter, online retailers have a long way to go in South Africa?

Various reasons for the growth of non-store retailing exist which include the high crime rate, long working hours and the lack of skilled sales personnel who are not trained to inform the customer with additional product information. Changing lifestyles are a major factor stimulating the growth of non-store retailing. Many working ladies have little time to shop.

So, the time-saving convenience and product information provided by non-store retailing are attractive to this growing market segment (Rix, 2003:398). The major type of non-store retailing are electronic shopping, catalogues and direct mail, direct selling, television home shopping and lastly, vending machines (Levy & Weitz, 2009:55 and Du Plessis *et al.*, 2012:503). The Internet is not a revolutionary new retail format that will replace stores and catalogues, but is used primarily by retailers as a tool to complement their store and catalogue offerings.

2.3.4.2 Out Shopping

South African retailers traditionally competed with other retailers situated in the same community. The nature of competition has changed because of more informed customers, mass media and improved infrastructure in South Africa. Today, customers travel fairly easily to other trade areas to buy goods and services, thereby spending part of their income outside the local community. These customers can be described as "*out shoppers*" (Du Plessis *et al.*, 2012:513). In the past, the geographical location of regional shopping centres were an important factor to customers. Recently, distance to stores has become less important due to faster deliveries from online retailers and better distribution services of retailers (Kumar et al., 2016:15). Out Shopping is also known as market gravitation of market leakage.

According to Ashley-Cotler *et al.* (2009:33), there are many reasons why out shopping takes place. Reasons can include: price comparison, unfriendly staff, restricted product ranges and the shopping experience as such. The South African retailing arena, until a few years ago, neglected the needs of the residents in the townships. The majority of retailers in these communities at that time were general retailers, spaza shops, hawkers and shebeens. Fortunately, this trend has been reversed by proper infrastructure planning together with the strong growth of shopping centre development in townships. The establishment of a personal relationship between retailers and their customers will also counteract "*out shopping*" as a phenomenon (Ashley-Cotler *et al.*, 2009:33).

2.3.4.3 Diversification

South African retailers have been expanding into new areas of business by making new products and entering markets that are different from those in which they are currently active. This is called diversification. There are two types of diversification, namely related diversification – that is, when the retailer develops a new product or service through business' growth or acquires another business that has products or services which relate to its current business operations. The second type of diversification is unrelated diversification which refers to expansion by the retailer into unrelated products and/ or services in which there are no similarities between the existing and the new business operations (Du Plessis *et al.*, 2012:515).

2.3.4.4 Informal retailing sector

In a study done by the Bureau of Market Research, (cited by Du Plessis *et al.*, 2012:516), it was found that informal retailers range from fairly developed businesses to businesses purely established for survival purposes (Du Plessis *et al.*, 2012:516). They also add that the most recent threat for the informal sector is the growth of formal shopping centres inside the townships. Some residents view the development of shopping centres as a blessing, while others see it as undermining the survival and growth of thriving small businesses that have been in existence for decades.

The South African informal retailer is seen as part of an important linkage between customers and manufactures by virtue of supplying goods and services to consumers.

2.3.4.5 Biometrics

Biometrics is one of the latest developments in the field of retailing. According to Ideco's Managing Director, Marius Coetzee, retailers are not only interested in increasing their profits, but they also want to reduce loss from theft and even more importantly, to improve their productivity. Considering the current economic climate, one can expect to see a dramatic increase in the use of biometrics in retail. Whether it is fingerprint identification, palm-vein technology or facial-recognition systems, there are a growing number of ways in which biometrics technology is helping the business world move in a new direction (Jones, 2016). Retailers are now, more enthusiastic than ever to investigate ways of gathering more information about their customers.

2.3.4.6 The Consumer Protection Act (CPA)

The South African National Consumer Protection Act, No. 68 of 2008, came into effect on 1 April 2011. The Act aims to promote fairness, openness and good business practise between the suppliers of goods and services, and customers. With the introduction of this new CPA, retailers will be the first in the firing line regarding faulty products. Retailers will be liable to prove their innocence if they are involved in a dispute. Therefore, they need to take out protection insurance to cover themselves against these threats, which ultimately will lead to higher prices to recover these extra costs (Du Plessis *et al.*, 2012:517).

2.3.4.7 Customer experience

Amanda Stops, CEO of the SACSC (Anon., 2015), gathered valuable insight after attending the International Council of Shopping Centres (ICSC), and reports that shopping has become about the customer's desire for an experience, rather than a desire for a product. Stop explains it as follows: "Our shopping centres and retail stores are changing from being spaces to places, so people will feel more comfortable, stay longer and buy more".

2.3.4.8 Technology

In a world of constant change, shopping centres and retailers need to adapt quickly to remain relevant if they are to hold on to their customers. When it comes to technology, retailers now face the challenge of assisting customers to become more comfortable with new technological innovations. Bringing the real world and the digital world closer together is one of the biggest challenges currently facing retailers if they are to survive. The new buzz word "*phygital*" is the combination of physical and digital stores and is given as a piece of advice to retailers out there (Anon., 2015).

Shopping centres are one of the main types of retail outlets in South Africa. The strongest point of a shopping centre as a retail concept is most probably the wide variety of merchandise, services and entertainment it offers. According to Roberts *et al.* (2010:597) there are a few key influences which contribute to the success of a shopping centre namely:

- centre management,
- empowerment of the retailer,
- responsiveness,
- flexibility, and
- the shopping centre's brand.

Shopping centres will be discussed next.

2.4 THE SHOPPPING CENTRE

Today, malls play a major role in customers' lifestyles. The mall has changed patterns of shopping as well as social and recreational activities since its first appearance in the 1920s in the United States (Abghari & Hanzanee, 2011:158). The development of shopping centres has mushroomed since the Second World War and especially after the sixties, and has since become a distinctly 20th century phenomenon (Cloete, 2003:8).

2.4.1 What does the shopping centre entail?

Shopping centres showed the strongest growth in real estate in recent years (Vitorino, 2012:175) and have become a prominent feature and integral part of the modern urban landscape (Cloete, 2003:2).

Cloete (2003:80) described a shopping centre as a "deliberately planned concentration of shops that is managed as a unit". The operating success of a shopping centre is often attained through establishing a large convenience store as a magnet or key tenant with so-called "line shops" (Cloete, 2003:81). According to the Urban Land Institute (cited by Abghari & Hanzaee, 2011:158) "the shopping centre is an agglomeration of various retailers and commercial service providers within a well-planned, designed and managed building or group of buildings". Levy and Weitz (2004:199) agree with their definition, but add that a shopping centre is owned and managed as a single property.

The International Council of Shopping Centres (cited by Pitt & Musa, 2009:40) describes a shopping centre as a group of retail and other commercial establishments that are planned, developed, owned and managed as a single property with on-site parking provided. The importance of planned centres does not simply lie in their centralised control and free parking space. They differ fundamentally in size, form, location, internal structure and occupancy cost from the older retail structures (Jones & Simmons, 2009:216).

Pride and Ferrell (2010:433) describe a regional shopping centre as a shopping area with the largest department stores, widest product mixes and extensive product lines of all shopping centres. Tenant mix is well recognised to be one of the most important elements for the success of a shopping mall; however, there are no scientific models for determining an optimal tenant mix in a shopping mall (Yiu & Xu, 2012:524). According to them, these parameters in practice are determined by gut feeling and experience.

Ammani (2013:8) contributes by saying that shopping centres offer comfort, diversity, luxury, entertainment and convenience to customers.

Over the last two decades shopping centres and retail chains have developed strong complementary bonds. Internal cooperation is needed because each tenant depends on the total retail mix and the centre's total attractiveness to be able to prosper. Shopping centres have to inspire and motivate customers to visit and buy, and co-operation between shops has become essential for survival (Molenaar, 2015:3). If a few stores trade poorly, it will affect the financial performance of the centre as a whole. Financial successful tenants contribute to a financial successful centre.

There are four basic types of shopping centres namely: the convenience, neighbourhood, community and regional centre (which includes the hypermarkets). The various types of shopping centres may be distinguished according to function, location and physical criteria (Cloete, 2003:83). One of the most important decisions made by a retailer though, is store location (Levy & Weitz, 2004:217). Rix (2003:391) confirms this statement by adding that there are three keys to success in retailing: location, location and location! According to Levy and Weitz (2004:218), "Retailers have three basic types of locations to choose from: a shopping centre, a city or town location, or a freestanding location".

According to Teller and Schnedlitz (2012:1057), the misconception about anchor tenants being the main and only driver of success and smaller tenants being regarded as parasites, has to be resolved. Cloete (2003:399) stresses the role of independent retailers in a shopping centre and adds that they do make a major contribution to the financial performance of the centre by paying the highest rentals. Simon *et al.* (2009:5650) views these independent retailers as "internal customers" whose opinion should also be heard in matters concerning the management of the shopping centre. In times economic downturn when cost-cutting is rife, tenants become hard to find. Does good mall management imply filling all available retail space in the shopping centre? Ibrahim and Galven (2007) cited by Litvin and Rosene (2016:3) commented "the shopping mall's management cannot take on tenants simply because they can afford to pay rentals. The management should strictly evaluate each tenant and determine if the tenant will be suitable for the tenant mix". Management should therefore take into account the different roles tenants perform in a shopping centre. Shopping centres should encourage the training and development of these independent retailers and find a more effective partnership with them in order to sustain their existence.

The population relevant to this research will consist of mall tenants as well as the management of regional shopping centres in the Western Cape. There are approximately 332 shopping centres in the Western Cape, of which six can be classified as a regional shopping centre. With 150 000 or more customers in their target market, regional shopping centres must have well-coordinated management teams and marketing activities.

According to Cloete (2003:154) relationship marketing offers one of the keys to successful retailing in the years to come. Shopping owners and their management teams will join with retailers and suppliers to become partners in establishing a strong relationship with customers. The purpose of this research paper is to investigate the relationship between the management teams and the tenants of regional shopping centres.

2.4.2 The management of the shopping centre

The management of a shopping centre is a key element to the ultimate success and growth of a very expensive investment. It does not make sense to spend millions of rands on designing and building a shopping centre, only to hand it over to inadequate management. Teller and Schnedlitz (2012:1048) view the presence of an institutionalised management team in an agglomeration as a critical success factor within the competition of shopping centres. As Cloete (2003:363) comments, the developer of the property only provides the setting for success. The retailers must draw in the customers, and *they* ultimately determine the success or failure of the shopping centre.

Collaboration aims to maximise mutual gains and for each party to benefit from the strengths of the other. The negotiations between them should produce a win-win result. The most important condition needed for successful collaboration is interdependence (Howard, 2011:265).

Today's shopping centre management encounters many different challenges which are to identify, understand and met the ongoing needs of consumers, retailers and the owners (Pitt & Musa, 2009:39). Alwaer *et al.* (2008:400) and Pitt & Musa (2009:39) agree by saying that the challenge is to understand the different stakeholders' perspectives about what makes up a good performance of a regional shopping centre in order to reach a consensus about shared priorities and relationships. The task of the shopping centre's management is one that carries great responsibilities. They are responsible to the owners of the mall for high return on their investments (Damian *et al.*, 2011:457) as well as creating an environment in which the tenants can flourish. Shopping centre management teams must aim to provide a profitable return to all which encourages a more relationship marketing approach (Roberts *et al.*, 2010:602).

The management team of a shopping centre can appear to have considerable power, which they potentially, or allegedly, abuse on selected occasions (Roberts *et al.*, 2010:597). According to Chandler in 2001, cited by Roberts *et al.* (2010:598), there is even a degree of tension between tenants and management. Howard (2011:266) is of the opinion that there must be a balance of power between management and tenants. Trust can be seen as a key element of development of successful long-term relationships between management and tenants.

With the increasing sophistication of shoppers and the proliferation of mall competition for the customer's commercial rand, competition between centres is more intense than ever (Cloete, 2003: 520). This implies that the effective marketing of a shopping centre is critical to ensuring its sustainability. The marketing plan requires a commitment from the centre's owners as well as the ongoing support from the tenants and other parties connected with the centre (Cloete, 2003:521). Howard (2011:266) even experienced mistrust of the centre by tenants. Tenants can tell when centre management lacks expertise. Retailers are in the marketing business, but not in the business of managing the centre. Howard (2011:266) found hardly any managers at any level in shopping centres with a marketing qualification.

Singh and Sahay (2012:236) add that at present, malls are competing against each other, because most of the malls have identical tenant mixes. Tenants are losing confidence in the mall's ability to increase foot counts and ultimately decide to walk out of operational malls. Kirkup and Rifiq (cited by Roberts *et al.*, 2010:600) note that the lack of cooperation between management and their tenants shows that the parties are not seen as a "single business" unit. This does not bode well for contributing towards effective marketing strategies.

One of the goals of owners and the management of a shopping mall, is to address the customer's desire for an exciting experience, rather than a desire for products. But unfortunately, investors aim to build shopping centres to make a profit from their investment immediately and don't plan for the appropriate retail tenant mix and central unit management (Abghari & Hanzaee, 2011:162). Pitt and Musa (2009:40), point out that the core business of shopping centres is the leasing of retail space for profit and not managing retail tenants. Roberts *et al.* (2010:600) agree by saying the role of shopping centre managers is to be good developers, not retailers. Different rental rates are paid by various tenants because of the specific location of the store inside the shopping centre. Some of the store's profit must now be shared with the landlord who always has the opportunity to rent to a competitor (Jones & Simmons, 2009:95). Because of the expense involved in leasing space in regional shopping centres, tenants are more likely to be national chain stores, than smaller, independent stores.

The success of a business relationship lies in the development and growth of trust and commitment among the role players (Berndt & Tait, 2012:24). The tenants of the shopping centre and the management of the centre need to have shared goals and receive mutual benefit in order to build a successful relationship. The management of the shopping centres need to gather information (Howard, 2011:267) about individual tenants to be able to tailor the services rendered to them. Consequently, mall management needs to be more flexible and treat their customers differently, and should even opt for a personal touch (Simon *et al.*, 2009:575). Customers (tenants) should enjoy more convenience and benefits (Berndt & Tait, 2012:8). However, Howard (2011:267) found that partnerships between retailers and centre owners tend to be limited in a shopping centre. Howard (2011:268) also adds that it is difficult to develop partnerships focusing on mutual beneficial benefits when the relationship between the parties is structured by the lease and other legalistic terms, rather than broader market negotiations.

Howards's (2011:267) research has found that relationships in shopping centres are rarely characterised by collaboration. Bargaining and outright conflict are the norm instead. This situation arises from what can be described as a property-led rather than business or customer-led approach to shopping centre management.

For the purpose of this research, the tenants of a shopping centre are in fact the customers of mall management. Tenants of shopping centres can no longer be seen as a passive audience, but rather as active players in creating mutual value (Payne & Frow, 2013:10).

2.5 CONCLUSION

Customers are the basis of any company's economic success. Therefore, a company needs to know its customers. Interaction, communication and the transfer of knowledge between the company and the customer is needed (Wilde, 2011:45) in order to build a relationship of trust. The shopping centre manager needs to be strong with an inspiring leadership style. The centre manager needs to implement strategies and new ideas. They need to be trustworthy, authentic, consistent and have a bold, delivery-focused mindset. The manager's role, therefore, is developing a partnership with retailers and providing the right environment for their business to grow and flourish, rather than simply dealing with maintenance and security issues. Relationship marketing (RM) can be viewed as a philosophy of doing business where the business focuses on keeping customer by means of long-term relationships. This will be discussed in more detail in Chapter 3.

CHAPTER 3

RELATIONSIHP MARKETING AND CUSTOMER RELATIONSHIP MANAGEMENT

3.1 RELATIONSHIP MARKETING

3.1.1 Introduction

Relationship Marketing (RM) can be viewed as a philosophy of doing business where the business focuses on keeping customers by means of long-term relationships. CRM in turn, builds on the philosophy of RM by using information technology to enable a closer fit between what the business offers and the needs of the customer (Du Plessis, *et al.,* 2012:533).

According to Francis Buttle, a respected author on customer relationships, the terminology associated with customer relationships is contested. Some authors refer to RM as considering relationships between the business and its customers, others see it more as relationship management (Du Plessis *et al.*, 2012:527). Some authors argue that not all customers want to form relationships with businesses, therefore refer to it as customer management. Still others refer to CRM or even customer relationship marketing. Despite these different views on the appropriate terminology, all of them have one thing in common: it's all about customers and their needs.

According to Hult *et al.* (2012:14, RM consists of actions taken to build and maintain desirable exchange relationships with customers. RM continually deepens the customer's trust in the business, which, as the customer's confidence grows, in turn increases the businesses' understanding of the consumer's real needs (Hult *et al.*, 2012:14). RM concerns the facilitation and management of relationships between a business and its customers. It deals with long-term customer satisfaction which, in turn, can lead to customer loyalty, a major factor in maximising businesses' profitability. (Romero, 2014:668). In this whole process, technology plays a crucial role.

RM cares for its existing customers just as much as for the new ones. Consequently, RM aims to retain customers through customer care and after-sales services to ensure future transactions with these customers by delivering what they want (Jouini & Pozza, 2014:4). Du Plessis *et al.* (2012:524) agree – they claim that businesses stand to lose up to 50% of their customers over a five-year period, and that it costs as much as six to seven times more to acquire a new customer than to keep existing ones.

In order to understand the concept of RM better, attention will now be given to the definition and origins of RM.

3.1.2 Defining relationship marketing (RM)

As far back as 1996, Buttle (1996:5) believes that RM is based on two economic arguments. Firstly, it is more expensive to win new customers than it is to retain existing customers and secondly the longer the association between the business and the customer the more profitable the relationship for the business becomes (Buttle, 1996:5). The latter adds that RM is about healthy relationships which are characterised by concern, trust, commitment and service. Bojei *et al.* (2013:171) agrees with Buttle and adds that if a business retains just 5% more of its customers, profits will most likely increase by 25%, up to 125%.

During the 90s RM was defined as the process of planning, developing and nurturing a relationship climate that will promote a dialogue between a business and its customers, and which aims to create a mutual understanding and respect for each the capabilities and concerns of each party (Kavali *et al.*, 1999: 576).

Varey (2002:47) believes that the "relationship" becomes an important attribute of the offer, thus differentiating businesses from each other. In relationship marketing, customers are not treated as targets to be reached, but as partners in the creation and sharing of value (Biggermann & Buttle, 2012:1133).

Then in 2006, Eiriz and Wilson (2006:276) describe RM as activities which concern multilateral relationships as well as networks of relationships. According to them, RM shares with other disciplines a concern over strategic alliances, partnerships and strategic networks. It also embraces relationships between businesses and their customers.

According to Amine *et al.* (2012:70), the aforementioned definitions of RM emphasise the multidimensional character of relationship marketing, but also incorporate a certain number of key ingredients. These are commitment, trust, satisfaction and communication, to name a few.

Sheth *et al.* (2012:7) define RM as "The ongoing process of engaging in collaborative activities and programmes with immediate and end-user customers to create and enhance mutual economic, social and psychological value and profitability". Hult *et al.* (2012:14) agree that RM refers to long-term, mutually beneficial arrangements in which the buyer and the seller focus on value enhancement through satisfying exchanges. According to Zineldin *et al.* (2014:2), RM focuses on customer attractions via relations, interactions and networks. They argue that RM is also a tool for gaining competitive advantage in a competitive environment.

Following is a synthesised definition of RM based on the various definitions reflected: ***Relationship marketing deals with building, enhancing and managing relationships with different individual customers. Relationship marketing cares for existing customers just as much as for its new ones. Customer satisfaction and retention is of utmost importance.***

Supportive to this synthesised definition of RM, the philosophy also applies to the B2C environment. In the context of this study, the philosophy of RM is very applicable to the B2C environment where many tenants have been loyal independent's (customers) of the centre for many years. Thus, special attention should be given to these "loyal independents" (cash cows). Relationships like these are dualistic in nature, given the potential high rate of lease renewals (Roberts *et al.*, 2010:601). Even when the products or services offered are satisfactory, customers still exercise their right to move from one business to another in order to purchase the products they need at a better price, or merely to look out for change and variety (Zineldin *et al.*, 2012:5).

The origins of RM will be discussed next.

3.1.3 The origins of relationship marketing

RM has historical antecedents going back into the pre-industrial era (Sheth *et al.*, 2012:8). There was a direct interaction between producers of agricultural products and their customers. Artisans often developed customised products for their different customers. Such direct interaction led to a relational bonding between the supplier and the customer. It was only after the industrial era's mass production society and the appearance of the middlemen, that there were less frequent interactions between the aforementioned parties which led to transaction oriented marketing.

In the mid 1950s, Borden published the first explanation of the concept of the marketing mix. McCarthy developed the "4Ps" model of marketing which includes price, promotion, place and product (Payne & Frow, 2013:11). The marketing mix is a set of controllable, tactical marketing tools that a business blends to produce the desired response from customers. In the late 1970s and early 1980s a number of academic writers began to criticise the marketing mix theory (Du Plessis *et al.*, 2012:23; Berndt & Tait, 2012:5). It was soon realised that the 4Ps were not sufficient to motivate customers to buy. Philip Kotler laid the foundation for the extended marketing mix, and adds an additional 3Ps (Gordon, 2013:xv) to the existing 4Ps: people, processes and physical surroundings. Philip Kotler, "repositioned" the marketing mix to build the success of a business on establishing and building relationships with significant role players in a business environment rather than focusing on transactions only. It became obvious that strategic competitive advantage could no longer be delivered on the basis of product and service only. Customers became more sophisticated (Verma *et al.*, 2015:2), new competitors entered the market, new media channels (Gordon, 2013:xv) and globalisation of markets emerged.. Consequently, businesses must adopt new and creative ways of thinking to keep customers loyal in order to survive and prosper (Alajoutsijarvi *et al.*, 2012:302). Developments in technology (Gordon, 2013:xv) made it possible for businesses to build individual relationships with their customers.

According to academic literature, RM was introduced in 1983 at an American Marketing Association Conference by Leonard Berry. Berry (1983) was the first scholar (cited in Berndt and Tait, 2012:6) who made an explicit attempt to clarify the term by defining the term RM as "attracting, maintaining and – in multi-service organisations – enhancing customer relationships".

The focus on the "*relationship*" rather than the "*transaction*" implies that the customer relationship represents a key business asset. Relationships with "worthwhile" customers (Alajoutsijarvi, 2012:302) can be managed to develop and improve customer retention and profitability. If customers are viewed as business assets, then the business will constantly focus on customers' needs and strive to increase value (Lindgreen *et al.*, 2012:212) for these customers over time.

What is meant by the word relationship in a marketing context? This will be discussed in the next section.

3.2 WHAT IS A RELATIONSHIP?

Marketers generally understand that relationships matter and that relationships are the very essence of most businesses. The term "relationship" describes the pattern of interactions and mutual conditioning of behaviours over time between a business and a customer (Ford *et al.*, 2003:38). According to the latter, time is the defining feature of a relationship. There is no such thing as a standard relationship. Every relationship is unique in its content, its dynamics, in how it evolves, in how it affects the parties involved and in what is requires from them for mutual success. Within the context of this study, lease agreements will be individually negotiated based on the needs of individual independent retailers (Harmse, 2012:136).

More recently, Gordon (2013:1) confirms that relationships are predictive and suggest that relationships pre-empt the direction in which a business' value will trend. He comments that if relationships depreciate, so too will the future value of the business. But the opposite also applies. He believes that it is important for marketers to develop a "process for relationship development" (Gordon, 2013:2) that targets existing customers and acquiring new additional customers.

3.2.1 The landlord–tenant (management-tenant) relationship (B2C)

Customer relationships are the most important relationships of any business (Ford *et al.*, 2003:63) and indeed complex. In this study, tenants and shopping centre management teams have existing ideas of what to expect from these mentioned relationships. These ideas should be the basis for management/tenant relationships.

The success of a shopping centre is measured on the successes of their tenants. Ibrahim and Galven (cited by Harmse, 2012:128) confirmed this notion and also support the joint business relationship with tenants and shopping centre owners as primary role players. Thus, these relationships should be treated as high priority. Howard (2011:267) suggested that a partnership approach will be applicable in the B2C context. Collaboration in their relationship provides mutual benefits and synergies. It is also important to develop good communication and trust between them. Tenants perceived a committed landlord as a great advantage. If the parties are committed to each other, the landlord will maintain the premises to suit the long-term needs of both parties (Rasilt, 2010:85).

According to Harmse (2012:128) there is a general assumption that independent tenants' survival depends on the success of the traffic attractors. These mentioned traffic attractors usually effect the rental levies. Independent retailers do not have any bargaining power and landlords are not incentivized to lower their rentals. In spite of assistance from centre management, centre management is treating small independent tenants with an attitude of "take it or leave it"!

According to Rasilt (2010:82) tenants and the landlord-owners have legal bonds based of their lease agreements which is contractual binding in nature. According to the latter, long contracts save money and reduce the risk of having to relocate against a tenant's will.

For the purpose of this study, tenants and the management will be viewed as the role-players in the B2C relationship. As mentioned previously, relationships do not portray a specific moment in time, but are rather comprised of a number of stages (Du Plessis *et al.*, 2012:530). The customer relationship life cycle considers the different stages of the business-customer relationship and will be discussed next.

3.2.2 Stages of relationship development

According to Reiman *et al.* (2010: 329) a customer-business relationship evolves through three stages, namely initiation, maintenance and termination. Du Plessis *et al*, (2012:531) refer to a customer relationship life cycle, which includes four different phases, namely customer acquisition, development, retention and dissolution. The following table represents the relationship life cycle as identified by Du Plessis *et al.* (2010:329).

Table 3.1

Relationship life cycle

Stage 1: Customer acquisition	In the initial phase of building a relationship with a customer, a business has to decide which specific customers will be the focus of their relationship marketing efforts (Sheth *et al.*, 2012:11). Customers buy products for the first time to satisfy an unfilled need or desire. The customer therefore exchanges something of value for something of value from the business (Valtakoski, 2015:108). Both parties benefit from this initial transaction. If there is a suitable match, more transactions will follow where each party reveals more information about themselves.
Stage 2: Customer development	The business is trying to sell larger quantities to customers and encourage them to buy other products or services as well. As the value of the transactions and the social interaction increases, the parties tend to understand the requirements of the other.
Stage 3: Customer retention	Commitment and trust between the parties grow, resulting in cross-selling. Businesses tend to offer loyalty programmes to retain customers from withdrawing from the relationship. These customers provide powerful word-of mouth praise and approve the business' activities (Berndt & Tait, 2012:35).
Stage 4: Dissolutions	The termination stage usually brings an end to the relationship. Not all customers want to stay in a relationship with the business (Du Plessis *et al.*, 2012:532). Businesses could also terminate the relationship with customers that become unprofitable. No more activities exist between the two parties.

Source: Du Plessis *et al*, (2012:531).

In the following section, relevant theoretical models are being discussed and its relevance rationalised to this study.

3.3 RELATIONSHIP THEORY AND MODELS

Relevant variables tested amongst selected quantitative sample respondents were based and correlated with the following theory and model.

3.3.1 Commitment-trust theory

Morgan and Hunt (1994:20) theorized that the presence of relationship commitment and trust are central to successful relationship marketing and its ability to "*condition others*". Morgan and Hunt further believe that when both commitment and trust are present in a relational exchange, the parties should produce an outcome that should promote efficiency, productivity and effectiveness.

According to the commitment-trust theory, parties identify commitment as the key to achieving valuable outcomes. Therefore, Morgan and Hunt (1994:23) theorized that commitment is central to all relational exchange between a business and its partners.

Morgan and Hunt (1994:23) further conceptualize trust as existing when one party has confidence in an exchange partner's reliability and integrity. Rotter (1967) cited by Morgan and Hunt (1994:23) defined trust as a "*generalized expectancy held by an individual that the word of another can be relied on...*"

There are 5 important antecedents present in this theory namely, relationship termination costs, relationship benefits, shared values, communication and opportunistic behaviour. There are also 5 qualitative outcomes of the Commitment-trust theory which include, acquiescence, propensity to leave, cooperation, functional conflict and uncertainty. The KMV (key mediating variable) of relationship marketing is reflected in Figure 3.1.

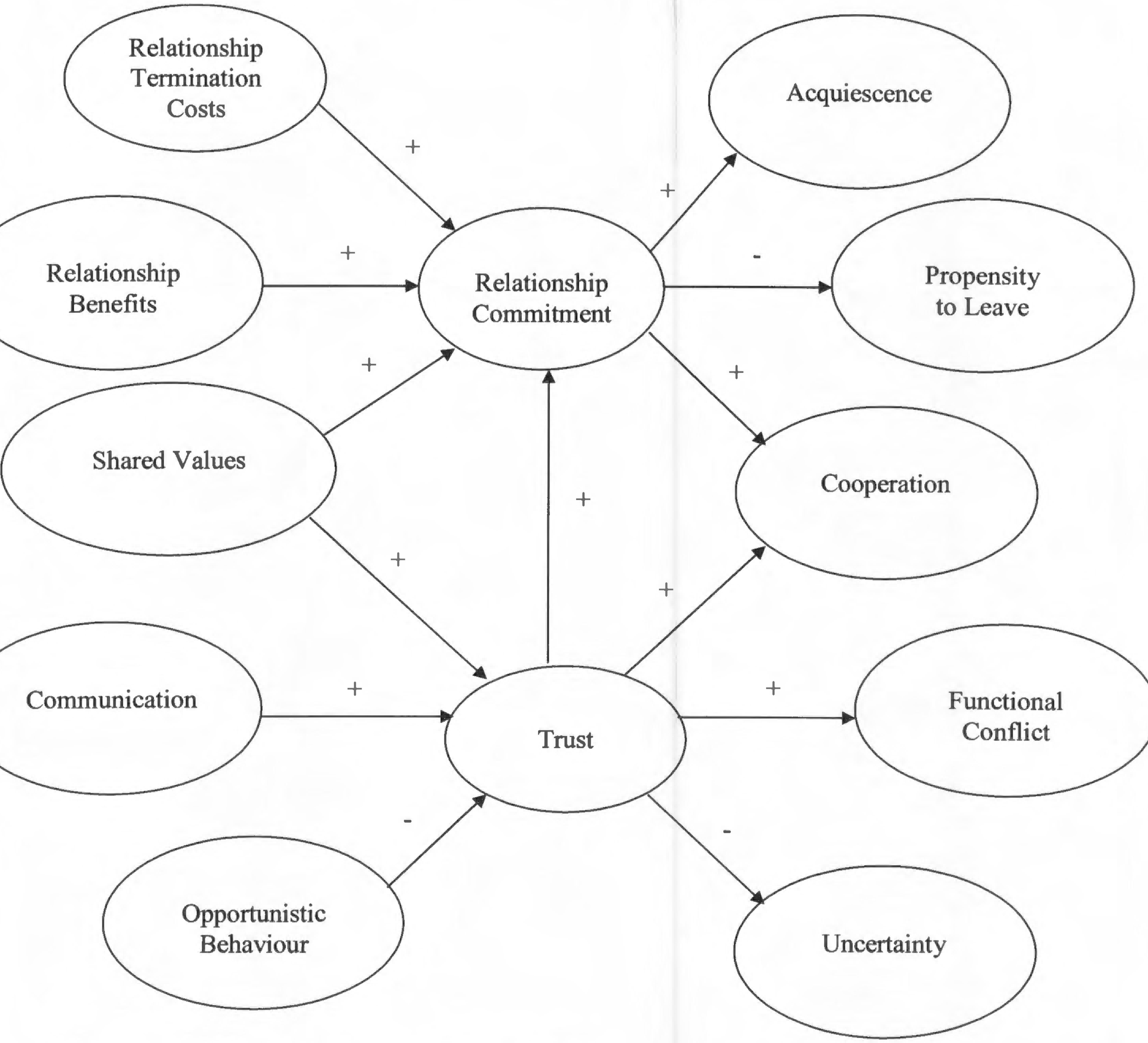

Fig 3:1 The KMV Model of Relationship Marketing

Source: Morgan & Hunt, 1994:22

3.3.2 Model of partnership success: Characteristics of Partnership Success: Partnership attributes, communication behaviour, and conflict resolution techniques.

In the model of partnership success, Mohr and Spekman (1994:136) used two indicators of partnership success; an objective indicator (sales volume flowing between dyadic partners) and an affective measure (satisfaction of one party with the other). The objective indicator grows from the belief that strategic partnerships are formed to achieve a set of goals. The affective indicator (satisfaction) is based on the notion that success is determined, in part, by how well the partnership achieves the performance expectations set by the partners. The following diagram, figure 3.2 represents the essential components of the partnership success model.

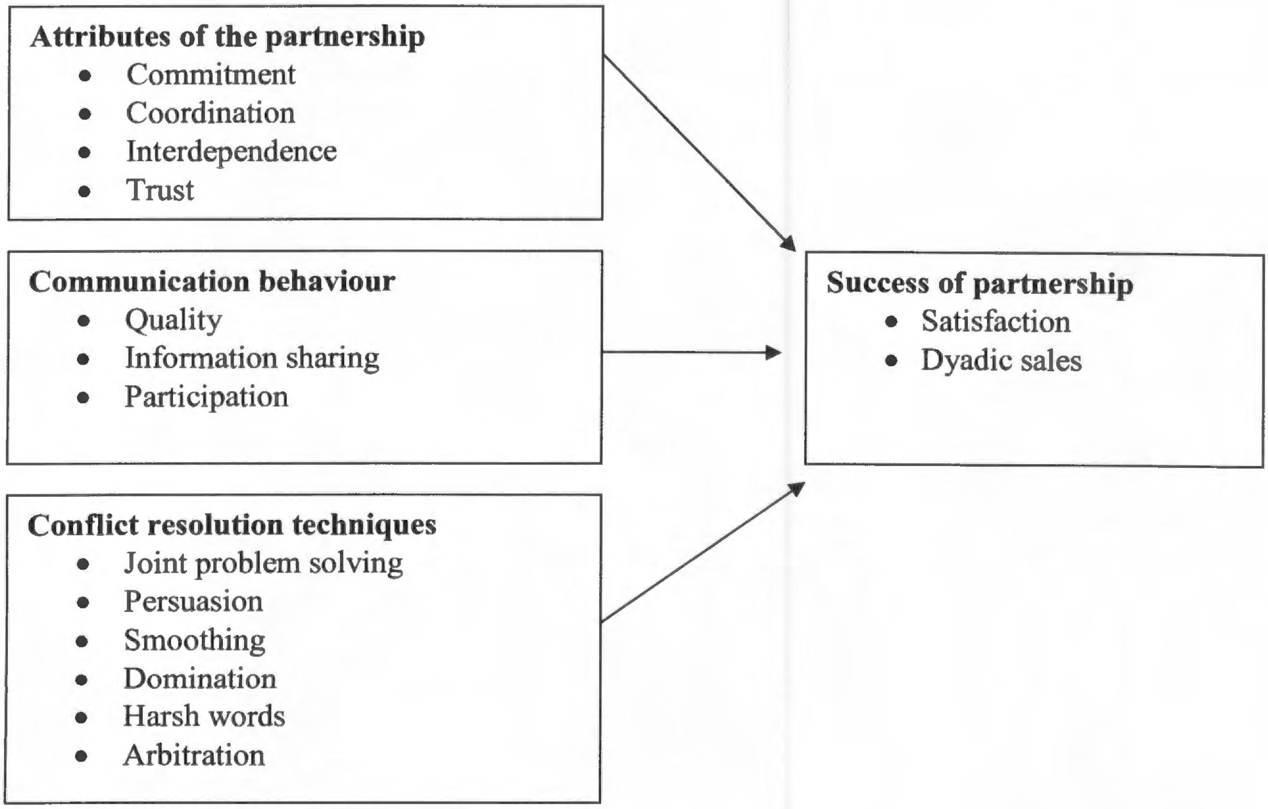

Figure 3:2 Model of partnership success

Source: Mohr & Spekman, 1994: 137

Contributing to these components reflected in figure 3.2 are essential "ingredients" for a relationship to be successful. Relationship facilitators will be addressed next.

3.4 RELATIONSHIP FACILITATORS

The success of a business relationship lies in the development and growth of trust and commitment among the different partners. The two parties involved also need to have shared goals and should be able to enjoy mutual benefits in order to build a successful relationship (Valtakoski, 2015:108). Cowan *et al.* (2015:3) also argue that the success of a business relationship and the potential for it to grow into a partnership, will depend on more equitable distribution of benefits. According to them, these benefits can range from reducing costs, access to particular resources, risk sharing, access to foreign markets, product development, learning, and so on. Some other businesses enter into a relationship to gain social, psychological, functional and even image benefits.

Research studies revealed that trust forms the basis of any business relationship (Roberts *et al.*, 2010:5970 and will be discussed next.

3.4.1 Trust

Morgan and Hunt (1994:22) believe that trust is the most important antecedent of commitment. When partners in an exchange relationship trust each other, they are more likely to resolve difficulties such as conflict and unsatisfactory profits (Park *et al.*, 2012:461). According to Dapiran and Hogarth-Scott (2003:260) trust has become the focus of much research since the late 1990s. The latter further reasons that a degree of trust is essential for building long-term business relationships.

Blois (1999) comments that trust is recognised as a central concept in RM (cited by Dowell *et al.* (2015:125). According to Berndt and Tait (2012:25) "Trust is the willingness to rely on an exchange partner in whom one has confidence; it is a generalised expectancy held by an individual that the word of another can be relied upon". Dowell *et al.* (2015:120) provide a more inclusive definition of trust which is "An evolving, affective state including both cognitive and affective elements and emerges from the perceptions of competence and positive, caring motivations in the relationship partner to be trusted". These descriptions of trust also include integrity, consistency, competence, honesty, fairness, responsibility, helpfulness and benevolence. Schoorman *et al.* (2007) also describe trust as the willingness to take risks and indicate that trust is a central construct in understanding the buyer-seller relationship (cited by Valtakoski, 2015:109).

To build trust is to ensure that customers know that the business will stand behind its promises and honour its commitments (Berndt & Tait, 2012:25). They even argue that when trust is broken, it may not be possible to rebuild the customer relationship. In the context of this study, landlords need to be honest and have goodwill towards those tenants which they classify as "important" customers (Rasilt, 2010:86).

Trust must exist between relationship partners before cooperation is achievable (Roberts *et al.* 2010:600). They further reason that once trust in the partnership is established, joint activities become possible and the outcomes are believed to be superior to what would have been the case if they had acted alone.

A recent empirical study done by Cuevas *et al.* (2015:77) revealed that in the early phase of a business relationship distrust can emerge because of uncertainty and not clearing out the different parties' roles. Towards the latter phase of the relationship, members trust in terms of commitment to the overall direction of the business was underpinned by the perception that positive change was possible, which led to renewed cooperation between the parties. The members trusted the future benefits (Alajoutsijarri *et al.*, 2012:291) that the relationship could hold. They confirmed that trust is not established without the development of a high level of goal congruence between the parties.

One of the consequences of trust in the relationship between the management of the shopping centre and the tenants is the probability of a lease renewal by the tenants (Roberts *et al.*, 2010:608).

There appears to be a considerable overlap between trust and satisfaction, as they both represent a feeling or attitude about the other party in the relationship. Customer satisfaction will be discussed next.

3.4.2 Satisfaction

Customer satisfaction is one of the best-studied areas in marketing, because it has become a major factor in achieving business goals (Munusamy *et al.*, 2010:399). It is also considered as a baseline standard of performance and a possible standard of excellence for any business. The slogan "the customer is always right" highlights the importance of customer satisfaction (Hussain *et al.*, 2015:167).

Customer satisfaction can be seen as the customer's feeling that a product or service has met or exceeded his or her expectations (Berndt & Tait, 2012:42; Munusamy *et al.*, 2010:399). Bateson and Hoffman (2011:294) view customer satisfaction as a comparison between customer expectations versus perceptions regarding the actual product or service received. Zeithaml (1988) described perceived value as the customer's overall evaluation of a product based on perceptions of what is received (cited by Hussain *et al.*, 2015:167).

Some businesses may argue that completely satisfying a customer presents an impossible task. They argue that customers are unreasonable at times, but little evidence can be found of extravagant customer expectations (Bateson & Hoffman, 2011:298).

Customer satisfaction further implies that employees' attitudes and actions must also be customer orientated. Sometimes an employee is the only contact a particular customer has with the business which means that in the customer's eyes, the employee is the business. Rasilt (2010:87) comments that the personal attributes of the contact person of the landlord-owner can seriously affect the relationship between the parties. Successful businesses invest in customer service training to equip their employees to understand the link between their jobs and satisfied customers (Berndt & Tait, 2012:42). Harmse (2012:142) found little evidence of landlord-owners offering assistance to independent tenants struggling with customer service, merchandising or business knowledge. According to Bateson and Hoffman (2011:298) businesses that pride themselves on their customer satisfaction generally provide better working environments for their employees and invest in their employees' training and development (Lee & Trim, 2012:773).

Because of the importance of satisfaction, businesses use a variety of methods to measure customer satisfaction. This information can be used to determine which customers offer the most potential for development (Du Plessis *et al.*, 2012:545) Unfortunately, a number of factors can dramatically increase or decrease business satisfaction ratings (Bateson & Hoffman, 2011:318). These factors include the timing of the questions, the context of the questions, the data collection method and a variety of research issues. According to Bateson and Hoffman (2011:318), customer satisfaction ratings tend to be negatively skewed, indicating that above-average performance tends to be the norm. Despite its challenges, the assessment of customer satisfaction is still a valuable management exercise. The main shortcoming of customer satisfaction ratings is the fact that these assessments include the customer's current evaluation, but do not include the customer's changing needs. Ensuring customer satisfactions is critical to businesses, as satisfied customers are more likely to become loyal and are therefore more likely to be retained (Du Plessis *et al.*, 2012:543).

Miquel-Romero *et al.* (2013:668) believe that customer satisfaction, trust and commitment are outcomes of implementing RM successfully.

3.4.3 Shared goals and mutual benefits

People with shared goals (Valtakoski, 2015:108) and values expect to receive assistance from each other; they share relevant information and trust the information they receive from each other, because it is in the interest of both parties to become effective and reach their goals (Berndt & Tait, 2012:26). According to Lee and Trim (2012:771), partnerships are reinforced through information sharing and are committed by a process of continual innovation (Gordon, 2013:15). If the partnership arrangement is based on information, the partnership will become more competitive and will be in a more favourable position to increase profits over time.

Cowan *et al.* (2015:7) believe it is important to foster full transparency between the partners with regard to mutual benefits (Romero, 2014:668) and expectations from the beginning of the relationship, which helps the weaker party to accept the imbalance and encourages a trustworthy relationship to develop. The latter recommends that the different partners should strengthen goal congruence through enhanced social interaction and collaborative problem solving.

The creation of shared values between partners showed itself to be a key marketing strategy for improving the existing commitment to a relationship. Barroso-Mendez *et al.* (2014:12) even recommends that partners should first analyse the characteristics and values (Morgan & Hunt, 1994:25) of a potential partner, before initiating a relationship. Businesses should strive only to enter into relationships with parties that are perceived to have, in principle, a greater level of shared values.

The culture and values of the business must contribute to the formation of lasting relationships (Gordon, 2013:26), and should align broadly with the culture and values of the business' chosen customers – the "core" customers who will take the business into the future (Gordon, 2013:26; Ashley *et al.*, 2011:749).

Barringer and Harrison (2000) cited by Cuevas *et al.* (2015:1) argue that goal congruence facilitates creating value for the partners involved in the relationship. Goal congruence plays a role in business relationships given that "collaboration" is often seen as a means of reducing uncertainty, acquiring resources and solving problems. Jap and Anderson (2003), cited by Cuesvas *et al.* (2005:1), believe that goal congruence is the extent to which businesses perceive the possibility of achieving compatible, if not identical, objectives. The research study done by Cuesvas *et al.* (2015:8) reveals that goal congruence also plays a mediating role between power and trust.

Howard (1997) argues that shopping centres can best be managed when the centre managers and their tenants are working together towards common goals (cited by Roberts *et al.*, 2010:599). The management of the shopping centre and the tenants must agree on a win-win approach, share information and communicate openly and accurately (Lee & Trim, 2012:72). In the context of this study, Rasilt (2010:86) believes that most landlord-owners do not understand their tenants' needs and they have no common goals. According to the latter, this can affect the quality and logevity of their relationship.

3.4.4 Collaboration

According to Gordon (2013:17), collaboration means, "creating and sharing new value with customers rather than creating and sharing new value for customers". Customers care that they receive the benefits they want. This implies that the individual voice of the customer needs to be injected into value chains if working together is to result in benefits the customer can see.

A major outcome of trust and commitment is the ability to cooperate (Morgan & Hunt 1994:22). Trust must exist between relationship partners before cooperation is achievable (Roberts *et al.*, 2010:600).

According to Vlaar *et al.* (2007a), cited by Cuevas *et al.* (2015:1), despite the numerous benefits cooperation may bring about in business, the cooperation between partners stays complex, involves a number of risks and uncertainty (Chen *et al.*, 2014:571) and is particularly problematic where power asymmetry exists. Rasilt's (2010:87) empirical findings indicate that landlord-owners exert their power by removing independent tenants to make space for a anchor tenant.

Trust is the core issue that sustains a collaborative relationship. By developing relational trust with partners, businesses become more willing to share resources, and ultimately to obtain collaborative advantages (Chen *et al.*, 2014:571).

Managers who are looking to reach a greater degree of cooperation with their partners should recognise that commitment to the relationship is the most critical mediating element for reaching this goal (Barroso-Mendez *et al.*, 2014:12).

Kirkup and Rafiq (1999) are of the opinion that some tenants of shopping centres are unwilling to participate due to the lack of authority, apathy or the lack of experience (cited by Roberts *et al.*, 2010:599). This lack of cooperation shows that the parties do not see the shopping centre and the tenants as a "single" business, and this will subsequently not facilitate effective marketing strategies. The implications thereof can be that the effectiveness of the relationship between the management of the shopping centre and the tenants is at risk because of the lack of collaboration.

3.4.5 Communication

In the past, communication was channeled from the business to the customers only (Gordon, 2013:4). Successful businesses need to find the most effective communication channel and message to motivate customers to buy. Today, this sounds like "noise" to most customers, because customers pay much less attention to what businesses communicate than to what their friends say. Businesses are shouting more or less the same things, at the same volume. The differentiated business is the one that "connects, engages and resonates" (Gordon, 2013:4). In the B2C environment, Rasilt (2010:87) experienced that tenants believe the communication channels were not sufficient. This causes dissatisfaction and affects the quality of their relationship.

Anderson and Narus (1990) cited by Park *et al.* (2012:461) describe communication as the "formal and informal sharing of meaningful and timely information between partners". Communication between partners in a relationship is essential to developing and maintaining their relationship. The relationship with customers is managed through communication with them through a two-way flow of information. This is done through communicating with each customer in his or her preferred way. It is essential that when a customer initiates contact, he/she is directed to those company staff members most suited to deal with the issues being raised (Berndt & Tait, 2012:184).

Communication is the lifeblood of RM and the corporate world (Simon *et al.*, 2009:564). It supports the development of the relationship, fosters trust and provides information needed to undertake collaborative activities. By establishing proper communication channels for sharing information (Ashley *et al.*, 2010:750) with relevant customers, a business can enhance their relationship with them. Cunningham and Tumbull (1982), cited by Mason and Leek (2012:319), reveal that within business relationships, interpersonal communications have been found to serve a variety of important tasks such as information exchange, assessment, negotiation and adaptation, crisis insurance, social and ego-enhancement.

Communication is also essential to establishing intra-business communication among all individuals and business functions that directly play a role in managing the relationship with a specific customer. Business markets are characterised by extensive, interpersonal communication not only between buyers and sellers, but also between a wide variety of functions both within and between different business departments such as research & development, production, quality control, marketing and purchasing departments (Mason and Leek, 2012:320). This network of interpersonal communications ensures the flow of information between the relevant parties. Mason and Leek (2012:230) comment that individuals are not merely passive receivers of information, but actively seek out and initiate personal relationships to obtain information, to share understanding and develop knowledge for future difficulties.

Interpersonal communication has been described as a customer's perception of the extent to which a retailer interacts with its regular customers in a warm and personal way (Huang 2015:1320). Empirical research emphasises the importance of interpersonal communication in the B2C relationship. Beatty *et al.* (1996) show that personal relationships between the buyer and the seller are "*social processes in nature characterised as friendships, personal warmth and feelings of familiarity*" (cited by Huang, 2015:1320). Personal relationship communication should enhance customers' appreciation and feelings of gratitude (Raggio *et al.*, 2014:18)

Sharma and Patterson (2000) found that effective communication shapes customers' expectation of services received and influences their perceptions (cited in Little & Marandi, 2003:94). Regular contact with customers will also mean empathy towards the customer by caring about their affairs. It is important though to strike a balance between regular, meaningful communication and pestering the customer.

Effective communication practices underpin success factors such as trust, cooperation and commitment (Mason & Leek, 2012:319). If the business partners are satisfied with the communication process, it may lead directly or indirectly to improved performance and a more positive relationship atmosphere. Of course, the opposite will also apply (Mason & Leek, 2012:331).

Ball *et al.* (2003) cited by Annamalah *et al.* (2011:1362), stress that communication is the most significant element in determining satisfaction and loyalty.

3.4.6 Empowerment

In the traditional approach, researchers treat empowerment as the conferring of power and decision-making authority from higher- lower-level employees of the business. According to Roberts *et al.* (2010:601) empowerment relates to the way in which one party feels able to direct their own actions towards reaching their own goals. Wright *et al.* (2006), cited by Roberts *et al.* (2010:601), is of the opinion that if a market strategy encourages customer empowerment, it increases the potential for positive repurchasing decisions.

Through empowerment, businesses allow employees to take on several roles and responsibilities and consequently to enjoy greater influence and autonomy at work (Erturk & Vurgun, 2015:36). Wilkinson (1997), cited by Erturk and Vurgun (2015:36), believes that perceived psychological empowerment promotes a greater sense of support and intrinsic motivation and fosters positive work-related attitudes and behaviours. Empowering employees involves supporting and trusting them to carry out tasks on their own, and instilling in them the belief and knowledge that their contributions benefit the business. As an important component of psychological empowerment, perceived control is related to a leader's ability of delegate or tendency to give subordinates responsibility and autonomy over their own decision-making. This delegation of authority creates a significant bond between partners in a relationship.

Corsun and Enz (1999), cited by Safari *et al.* (2011:1148), describe empowerment as fundamentally a motivational process of an individual's experience of feeling enabled. To empower is "to give power" to an individual to make personal choices over their own behaviour in the work environment. According to Safari *et al.* (2011:1148), empowering includes opportunities for own decision-making, and taking on challenges and responsibilities. Linden *et al.* (2000), cited by Safari *et al.* (2011:1148), believe that this, in turn, results in feelings of meaningfulness and competence, and a sense of self-determination.

In the context of shopping centres, empowerment would relate to the degree to which tenants perceive that they have control in their negotiations with centre management (Roberts *et al.*, 2010:601) and the extent to which these tenants have the expectations of having their concerns listened to. Furthermore, empowerment would also include the degree to which centre managers provide support to tenants and treat them accordingly.

The goal of RM and CRM is to establish, build and maintain mutually beneficial long-term relationships with customers to ultimately retain them. With these efforts, businesses try to build customer loyalty by means of their relationship marketing efforts. The following sections are devoted to relationship features, including customer loyalty, customer retention and commitment.

3.5 RELATIONSHIP FEATURES

Customer loyalty and customer retention are key strategies in today's leading-edge businesses as both these concepts reflect a more futuristic outlook than the concept of customer satisfaction (Bateson & Hoffman, 2011:382).

3.5.1 Loyalty

It is clear that customer loyalty cannot be obtained from a single sale or transaction, but rather from a series of satisfactory transactions over a period of time (Little & Marandi, 2003:55). Therefore, loyalty can be seen as a commitment by a customer to a business which is based on the customer's choice. In competitive markets, with little differentiation, satisfaction of customers is not enough – customer loyalty is required for the sustainability of the business (Du Plessis *et al.*, 2012:547). Loyalty must be combined with satisfaction to be effective (Soderlund & Colliander, 2015:50).

According to Berndt and Tait (2012:27) and Bateson and Hoffman (2011:383), loyal customers have an emotional connection with the retailer. Cant *et al.* (2006:275) refer to these loyal consumers as those who have a special bond with the business which is based on more than merely a positive feeling about the business.

Berndt and Tait (2012:27) define loyal as a "biased behavioural response, expressed over time by customers with respect to one supplier out of a set of suppliers, which is a function of decision-making and evaluative processes resulting in brand or store commitment". These loyal customers feel such goodwill towards the retailer that they will also encourage their friends and family to support their supplier (Soderlund & Colliander, 2015:49; Gordon, 2013:5). Loyalty must be seen as biased repeat-purchase behaviour accompanied by a favorable attitude (Bojei *et al.*, 2013:171). Du Plessis *et al.* (2012:547) agree with the abovementioned definitions from Bojei *et al.* (2013:171), Berndt and Tait (2012:27) and Soderlund and Colliander (2015:50). Ismail and Alsadi (2010) cited by Annamalah *et al.* (2011:1362) described loyalty as "promises from a business that goes beyond obvious assurance that potential customers expect".

According to Du Plessis *et al.* (2012:547), customer loyalty can be viewed from two different perspectives, namely customers' behaviour as well as their attitudes. Firstly, behavioural loyalty can be viewed as consumer behaviour in terms of their continued support and repurchasing of a product or service (Hussain, *et al.*, 2015:174). Variables used to identify loyal customers, in behavioural loyalty terms, include how recent purchases are made, frequency of purchases and the monetary value of these purchases. Secondly, attitudinal loyalty suggests that loyalty should also include favourable attitudes that are reflected in a commitment expressed over time. Attitudes can be measured in terms of feelings, beliefs and buying intentions. Despite these different views, many businesses prefer the behavioural definition of loyalty as sales results from actions, not attitudes. Based upon various relationship marketing activities, customer feelings of gratitude should be able to generate various gratitude-based reciprocal behaviours that positively influence customer loyalty (Huang, 2015:1320).

Marketers also distinguish other types of loyalty based on reasons why customers remain with the business, namely emotional loyalty, price loyalty, monopoly loyalty, inertia loyalty and disloyalty (Du Plessis *et al.*, 2012:549).

Rust *et al.*, (1994) cited by Sanderson and Edwards (2016:102) comment that the customer relationship management (CRM) theory is based on the promise that good customer service results in satisfied customers, who in turn are more likely to remain loyal and also referring and recommend the service provider to others.

According to Christopher, Payne and Ballantynes' best known relationship marketing ladder of loyalty, customers proceed through various levels as they move from the bottom to the top of the ladder (Du Plessis, *et al.*, 2012:550).

Table 3.2

Relationship marketing ladder

Prospect	Businesses believe they can persuade these individuals to do business with them.
Purchaser	After the first transaction, a prospect becomes a purchaser.
Customer	Customers buy regularly from the business, but are still undecided about it. They can be neutral or even negative about the business.
Supporter	They buy regularly from the business and like the business, but still support it passively.
Advocate	Customers continually support the business and actively recommend it to others.
Partner	They are characterised by their complete trust and commitment to the business. This group has a partnership relationship with the business.

Source: Du Plessis, *et al.* (2012:550).

Businesses must also accept that some customers will never be loyal to any business out there. A business can encourage uncommitted customers to become more loyal by offering them incentives though.

Regarding the relationship between the tenants and the shopping centre management, Roberts *et al.* (2010:599) argue that centre management can foster customer loyalty by responding to their needs by providing a good tenant mix and an organised and well-maintained centre. This in turn can encourage greater levels of cooperation and mutual benefits.

The ultimate goal of building relationships with customers, providing customer satisfaction and building customer loyalty, is to retain customers. Customer retention will be discussed next.

3.5.2 Customer retention

Customer retention refers to focusing the business' marketing efforts towards the existing customer base (Bateson & Hoffman, 2011:388). More specifically, in contrast to looking for new customers, businesses engage in efforts to satisfy existing customers (Du Plessis *et al.*, 2012:551) with the intent of developing long-term relationships with them (Hult *et al.*, 2012:481). Du Plessis *et al.* (2012:524) claim that businesses stand to lose up to 50% of their customers over a five-year period and that it costs as much as six to seven times more to acquire a new customer than to keep existing ones. They confirm that businesses should therefore concentrate on building relationships with existing customers rather than continuously trying to attract new ones.

One of the key elements of customer retention is customer satisfaction (Kwon & Kim, 2012:104; Berndt & Tait, 2012:28; de Haan *et al.*, 2015:4). Kwon and Kim (2012:104) view customer retention as customers who continually purchase the same brand from the business repeatedly. If a business constantly strives to increase value (Degbey, 2015:13; Verhoef & Lemon, 2013:23) for the customer, the more satisfied the customer becomes, which means they will stay longer and consequently a higher retention rate and profitability margin is achieved (Berndt & Tait, 2012:28; Du Plessis *et al.*, 2012:552). Many businesses go to the trouble of regularly measuring customer satisfaction, partly because they are obsessed by the need to win new customers, and partly because they fail to understand the real relationship between customer retention and profitability. Already businesses are reviewing their existing CRM strategies to find new ways to boost retention rates to improve their profits.

3.5.2.1 Customer retention benefits to businesses

According to Roberts-Phelps (2003:33) the measurement of customer retention is an important indicator of how effective the business is in meeting the desires of their customers.

Businesses have a number of benefits when retaining customers, categorised as economic and customer-behaviour benefits.

- Economic benefits

Some experts believe that customer retention has a more powerful effect on profits than market share and other variables associated with a competitive advantage. According to Bateson and Hoffman (2011:391) studies showed that as much as 95% of profits come from long-term customers via sales, referrals and reduced operation costs. Economic benefits include increased sales, reduced costs and increased profitability, and are stipulated as follows:

- Costs related to selling to existing customers are lower than acquiring new customers.
- According to the Pareto Principle, 80% of profits are derived from 20 percent of customers.
- Regular customers order and purchase goods consistently. That will lead to a decrease in costs of servicing those customers.
- Businesses have a higher probability of cross-selling (Degbey, 2015:12) or up-selling. Long-term customers tend to be less price-sensitive and will not move on account of a 5% price increase (Berndt & Tait, 2011:29).

A recent study done by Sanderson and Edwards (2016:107) suggested that shopping centre owners should rather find ways to 'enhance the independent tenant's profitability' than seeking to reduce operating costs.

Besides economic benefits, a business can also benefit from customer retention in the following ways:

- Improved customer retention can lead to an increased level of employee satisfaction.
- Long-term customers are likely to provide free word-of mouth advertising and referrals (Berndt & Tait, 2011:29).
- Customers can also act as mentors to new customers by explaining the business' processes and operational aspects to them (Du Plessis *et al.*, 2012:554).
- In social marketplaces, customers serve as the gatekeepers of communications to potential customers the business does not yet know (Gordon, 2013:5).

On the other hand, retaining customers could also result in high costs to businesses.

3.5.2.2 Customer retention costs to businesses

If businesses want to retain existing customers, a substantial investment in IT infrastructure must be done to capture and maintain customer information, needs, wants, requirements and purchase history (Du Plessis *et al.*, 2012:554). Du Plessis *et al.* (2012:554) continues by arguing that businesses might even have to change their business processes to accommodate the retention of their customers.

Within the context of this study, retention of long-term independent tenants should positively influence the profitability of the shopping centre. Tenant satisfaction will also foster a higher retention rate. From the shopping centres' point of view, the management teams should consider IT investments and adjust certain business' processes to maintain tenants' needs and requirements.

Businesses must look for evidence of commitment by monitoring repeated business transactions with customers as well as the loyalty of their customers. Commitment will be discussed next.

3.5.3 Commitment

According to Morgan and Hunt (1994:23), commitment is the belief in the importance of a relationship and is evidenced by the fact that maximum effort is exercised to maintain this commitment. Commitment implies that both parties will be loyal, reliable and show stability in their relationship with each other. Berndt and Tait (2012:26) further add that commitment is a desire to maintain a relationship that is often recognised by an ongoing investment in activities that is expected to maintain that relationship. Du Plessis *et al.* (2012:12) believe that commitment results when customers perceive the cost of terminating the relationship as high, or when the benefits received from the relationship are high.

Trust facilitates commitment, because commitment creates a sense of vulnerability, but this risk is reduced with trust. Therefore, commitment is undoubtedly connected to the understanding of trust (Berndt and Tait, 2012:26). Morgan and Hunt (1994:23) believe that commitment and trust may lead to a mutually beneficial relationship over the long term. When both commitment and trust are present (Little & Marandi, 2003:52), it delivers outcomes that foster efficiency, effectiveness and productivity. As it may take time to reach the stage of commitment, it also implies a certain "maturity" in the relationship. Commitment and trust lead directly to cooperative behaviours that are conducive to RM success.

Dowell *et al.* (2015:121) view commitment as, "a desire to develop a stable relationship, to make short-term sacrifices to maintain the relationship and a confidence in the stability of the relationship". Park *et al.* (2012:460) describe commitment as the "highest level of ties" among participation parties. According to them, it refers to how deeply businesses are involved in an exchange relationship and the extent to which they maintain the relationship over time. Garbarino and Johnson (1999), cited by Park *et al.* (2012:460), describe relationship commitment as a "psychological attachment in which even the welfare of a business is based".

A recent study done by Barroso-Mendez *et al.* (2014:12) found that commitment was the most important relational element in terms of improving the success of the relationship process.

The financial benefits arising from relationships with customers will be of prime importance to a business and will be discussed next.

3.6 RELATIONSHIP REWARDS

Despite the emphasis on building long-term relationships, businesses want to select only those customers they do want to from relationships with. One way of identifying the "*best*" customers is to determine their lifetime value to the business.

3.6.1 Customer lifetime value (CLV)

Traditionally, segmentation strategies focused on identifying groups of potential customers and classifying these groups according to their potential response to specific pricing strategies (Berndt & Tait, 2012:9). In terms of RM, a customer-lifetime value (CLV) - based segmentation is an approach that group customers based on customer profitability (Du Plessis *et al.*, 2012:561) and lifetime value. Stahl *et al.* (2012:46) describe CLV as assessing the financial value of a customer. CLV is defined in many different ways by academics and practitioners. In some instances, businesses use sales income; others use gross profit or net profit. Others express CLV in terms of what the customer has contributed in the past, while some think about the value of all purchases – past and future (Payne, 2006:149).

Berndt and Tait (2012:31) and Payne (2006:151) define CLV as the "present value of the stream of future profits expected over the customer's lifetime purchases". The biggest problem with the CLV concept is that there are no guarantees that customers will continue the same level of repeat purchases in the future, that costs will increase or that customers will stay with the business (Du Plessis *et al.*, 2012:562).

3.6.1.1 Choosing the '*rigtht*' customers

Many businesses assume that all loyal customers are profitable customers. While all customers are individual, they are not equal – some are much more valuable to a business than others (Gordon, 2013:14). Gordon (2013:59) believes that the right customers are always right, and any relationship plan ought to identify who these right customers are and cater to them so they can feel increasingly bonded to the business. According to Du Plessis *et al.* (2012:562) research done on RM, customer loyalty and customer retention found that "only" 60% of loyal customers are profitable to businesses. Anderson and Mittal (2000) cited by Degbey (2015:12) refer to retained customers as "revenue-producing assets" for a business. Du Plessis *et al.* (2012:562) suggest that once customers' profitability and projected duration of their relationship with the business have been determined, customers must be grouped into four different categories based on their profitability and projected loyalty as: "strangers, butterflies, true friends and barnacles". Businesses should therefore realise that different customers require different marketing strategies. The four categories will be briefly discussed in the next table.

In practise, these independent tenants should be regarded as the 'right' customers (tenants), because they are the ones that pay the higher rentals. The anchor tenants do have enough bargaining power and are regarded as the 'traffic attractors' of a shopping centres which put them in position to negotiate a favourable lease agreement.

Table 3.3

Different customers

Butterflies	**True friends**
• High profit potential, but not loyal • Good fit between business' offerings and customers' needs • Butterflies do not want to form a relationship with one business only *Actions* • Aim to achieve transactional satisfaction, not attitudinal loyalty • Gain as much profit from them as possible • Do not invest in a long-term relationship with butterflies	• Highest profit potential • Good fit between business' offerings and customers' needs *Actions* • Communicate consistently • Build both attitudinal and behavioural loyalty • Build long-term relationships with them • Delight these customers to retain them
Strangers	**Barnacles**
• Little fit between the business' offerings and customers' needs • Lowest profit potential • Show little projected loyalty *Actions* • Make no investments in these relationships • Make profit on every transaction	• Loyal customers, but not profitable • Caus many problems • Buy very little *Actions* • Try to increase profitability by cross-selling or up-selling

Source: Du Plessis *et al.* (2012:562)

3.6.1.2 'Inappropriate' customers

RM is not suitable in all situations and with all customers. A relationship is suitable when it is profitable for the business and for those customers who wish to engage in a relationship (Little & Marandi, 2003:24; Berndt & Tait, 2012:23). While all customers are individual, they are not equal – some are much more valuable to a business than others (Gordon, 2013:14). The latter condemned the saying "the customer is always right" and adds that by treating them equally, everyone gets equal value, whether merited or not.

The adoption of RM may be inappropriate in the following scenarios:

- Where there is no apparent reason why a customer will purchase again from a business. This customer will see no benefit from establishing a relationship with the business.
- When customers want to avoid a relationship, as it may lead to a dependency on the business. The customer can view the benefits associated with the relationship as outweighed by lost opportunities somewhere else.
- Where buying processes are formalised in such a way that it prevents the parties from developing relationships based on social bonds.
- Where the cost associated with the relationship puts the customer at a cost disadvantage in a price-sensitive market environment (Berndt & Tait, 2012:24).

3.6.2 Referrals

According to Gordon (2013:8) customers are increasingly dependent on one another to help inform their product and service purchase decision. As customers reach out to one another to make purchase decisions, they become less reliant on traditional media. Today, many customers rely on the recommendations of friends and associates for their purchase decisions rather than on messages from businesses (Gordon, 2013:9). Marketers can leverage any access the business is able to gain to the eyes, ears and minds of existing customers, to access the people they know to develop new customers.

Loyal customers tend to generate new business through word-of-mouth referrals. Referrals save costs and time for any business, while simultaneously increasing their income. According to Gordon (2013:72) customers who make referrals ought to be recognised for their strategic value. Customers are more likely to make referrals if there is an easy mechanism like Facebook for doing so (Gordon, 2013:138). New tendencies is indicative of social media's effects on tenants' attitudes towards shopping centres' management (Kumar *et al.*, 2016:15).

RM thus offers an opportunity for the business and the marketer to break out of existing frameworks such as the traditional 4 P's, and to glue the business into the minds and wallets of their customers. Enabled by new technologies, RM provides the marketer with the tools needed to serve individual customers as they wish to be served throughout their purchasing lifetimes. As a result, CRM has become a strategic requirement in highly competitive markets to assist a business to attract and retain 'profitable' customers (Berndt & Tait, 2012:17). CRM will be addressed next.

3.7 CUSTOMER RELATIONSHIP MANAGEMENT

3.7.1 Introduction

CRM has escalated into a topic of major importance, in less than a decade. Although the term, CRM, only came into use in the latter part of the 1990s, the principles on which CRM builds, RM, goes back to the origins of commerce, which involves the building of relationships of mutual value between supplier and customer (Payne, 2006:1). According to Du Plessis *et al.* (2012:533), CRM builds on the philosophy of RM by using information technology to enable a closer fit between what the business offers and the needs of customers. In recent years, CRM emerged as an important investment priority. In a recent study done by Rigby and Bilodeau (2013:6), the latter comment that executives see signs of diminished customer loyalty in an economic downturn, and believe that insufficient customer knowledge hurts their financial performance. Gaining a deeper understanding of customers and their needs allows businesses to foster loyalty.

Businesses large and small across a variety of sectors, are embracing CRM as a major element of corporate strategy. The two main reasons seem to be: firstly, new technologies that now enable businesses to target chosen market segments or individual customers and secondly, new marketing thinking that has recognised the limitations of traditional marketing (Gordon, 2013:6). CRM offers businesses the opportunity to build long-term relationships with their customers and regard these relationships as a key marketing asset within their business (Berndt & Tait, 2008:163). According to Buttle (2004:i) CRM is no longer something that only leading businesses use to gain a competitive advantage. Josiassen *et al.* (2014:130) reason that CRM has become a necessity for survival.

Customers are the basis of any business' economic success. Therefore a business needs to know its customers. Interaction, communication and the transfer of knowledge between the business and the customer is of the utmost importance (Wilde, 2011:45), in order to build a trusting relationship. Businesses capture information at every possible customer touch point (Peltier *et al.*, 2013:2). CRM involves managing information about individual customers in order to maximise customer loyalty (Kotler & Armstrong, 2006:13). Businesses become continuous learning enterprises (Peltier *et al.*, 2013:3) by working more closely with customers. Customers can no longer be seen as a passive audience; they have now become active players in creating mutual value (Payne & Frow, 2013:10). Customer knowledge (Peltier *et al.*, 2013:3) needs to be integrated into routine business processes to be able to offer customised products and services. A business that takes CRM seriously, will concentrate on their customers' constant changing requirements and needs (Wilde, 2011:45).

To summarise, CRM is a business approach that seeks to create, develop and enhance relationships with targeted customers in order to improve customer value, the business' profits and thereby maximise shareholder's value (Payne & Frow, 2013:6). CRM is aimed at increasing the acquisition and retention of profitable customers by, respectively, initiating, building and improving relationships with them. CRM cannot simply be added onto the marketing function and the business proceeds as before – CRM has business-wide implications. In the context of this study, the tenants of regional shopping centre's will be viewed as the customers of shopping centre management teams. Independent tenants' satisfaction can be increased when shopping centre management offer them customized lease agreements (Kumar *et al.*, 2016:16). Shopping centre's management teams should realize that the 'shopping landscape' is dynamic. Rasilt (2010:86) comments that some tenants even prefer, for a number of reasons, to have flexible contract terms. Individual tenants' needs are different and should be treated by management in a different manner. Sanderson and

Anderson encourage greater flexibility, shorter leases and even rent-free periods for independent tenants of shopping centres.

The definition of CRM will be discussed next.

3.7.2 Definition of CRM

What is CRM exactly? In its simplest form, it recognises each customer as an individual that has different needs and choices (Gordon, 2013:12). Businesses need to focus on the development of a customer-centric culture (Peltier *et al.*, 2013:1) to win and keep customers by creating and delivering better value to them than their competitors do (Berndt & Tait, 2012:3). According to Levy and Weitz (2009:305), the goal of CRM is to develop a base of loyal customers who patronise the retailer frequently.

Buttle (2004:3; Du Plessis *et al.*, 2012:533) is of the opinion that the definition of CRM means different things to different people. Most people use CRM to refer to Customer Relationship Management. Others use CRM to mean customer relationship marketing. Another group omits the word "relationship" altogether and prefers the term "customer management" (Payne, 2006:1). Yet others only use the expression "relationship marketing". The information technology (IT) companies believe the term CRM is used to describe software applications that automate the marketing, selling and service functions of businesses. Buttle (2004:4) and Payne (2006:6) are of the opinion that because of the relatively short history of CRM, practitioners are still debating the true meaning of CRM. They agree (Du Plessis *et al.*, 2012:533) that up to now, no agreement between executives, academics and the media can be found to define CRM absolutely. However, they do agree that CRM clearly is a business practice that focuses on customers' needs and wants.

As early as 2004, Buttle (2004:34) defines CRM as a business strategy that integrates internal processes and functions, and external networks to create and deliver value to targeted customers at a profit. This strategy depends on high quality customer data as well as IT.

Levy & Weitz (2009:305) define CRM as, 'a business philosophy and set of strategies, programmes and systems that focuses on identifying and building loyalty with a retailer's most valued customers'. Reimann *et al.* (2010:329) define CRM as a business practice which systematically manages their customers to maximise value across the relationship lifecycle of the customer. Wilde (2011:47) agrees with Reiman *et al.* (2010:329), but believes that IT plays a significant role to ensure the efficiency of a CRM program. Reiman *et al.* (2010:329) further views CRM as, 'a business' capability which has the potential to be a source of advantage, which in turn permits a business to improve their positioning and ultimately enhance their performance in their industry of operation'.

Ernst *et al.* (2011:290) define CRM as an effective approach for collecting, analysing and translating valuable customer information into managerial action.

Berndt & Tait (2012:19) focus on building a learning relationship, developing a base of loyal customers and simultaneously increasing profitability in their definition of CRM. As the interaction between the customer and the business increases the learning relationship between the two parties should improve, defining in more detail the customer's own individual needs and tastes (Berndt & Tait, 2012:12). When a retailer develops an emotional connection with a customer, it will be difficult for the competitor to attract that emotionally loyal customer (Levy & Weitz, 2009:306). In support of the aforementioned statement, Wilde (2011:46) agrees with Levy and Weitz (2009:306) by commenting that enduring relationships with customers cannot easily be duplicated by competitors and, as a result, a business can gain a competitive edge through high customer loyalty. More recently, Du Plessis *et al.* (2012:533) describes CRM as a process for gathering information that will be used to increase the understanding of how to manage business' relationships with their customers. From these aforementioned definitions, it is clear that CRM should be grounded in high-quality customer data and effective IT systems (Peltier *et al.*, 2013:2).

Following is a synthesized definition of CRM based on the various definitions reflected: ***The customer is the most important asset of any business. CRM is a process of building and maintaining profitable customer relationships by delivering true customer value and satisfaction on a continuous basis by using appropriate technology.***

For the purpose of this study, the tenants of the regional shopping centre will be seen as the 'customers' of regional shopping centre management. The evolution of customer relationship management will be discussed next.

3.7.3 The evolution of CRM

CRM is based on the principles of RM (Du Plessis *et al.*, 2012:533). Thus RM aims to retain customers through various means to ensure future transactions with existing customers by delivering what they want (Berndt & Tait, 2012:7).

The focus on the "*relationship*" rather than the "*transaction*" implies that the customer relationship represents a key business asset (Lindgreen *et al.*, 2012:212). Relationships with selected customers can be managed to develop and improve customer retention and profitability (Romero, 2014:668). If customers are viewed as business assets (Gordon, 2013:24), businesses will focus on growing these assets and its market value.

RM therefore focuses on the cooperation between parties to enhance value for those involved. CRM goes one step further by integrating customer needs into all aspects of the business' operations and relationships with other parties it deals with. CRM combines people, processes and technology (Becker *et al.*, 2009:208) with the long-term objective to offer customers more value than their competitors (Du Plessis *et al.*, 2012:529). Gordon (2013:xviii) points out that the management of customer relationships starts with a commitment not to *all* customers, but to individual existing customers. Ashley (2009) comments that it is important for shopping centre management to ensure tenant longevity, as costs of attracting new tenants are much higher than the cost of keeping present tenants (cited by Harmse, 2012:131).

For any business to meet the challenge of a relationship approach means having the culture of customer orientation, staff resources, system resources as well as information resources to effectively implement the relationship approach. These factors will be discussed next.

3.8 SUPPORTING FACTORS OF CRM

Chen and Chen (2004) cited by Wu and Lu (2012:277 identified four factors namely, champion leadership, internal marketing, knowledge management and IT systems, to successfully implement a CRM initiative. This section will focus on the elements that support the development, implementation and the success of a CRM strategy.

3.8.1 Leadership

If executive management understands the complete value of customer relationships, it will place relationships at the centre of its business and also link the various strategies and capabilities to improve the relationships with all the other stakeholders (Berndt & Tait, 2012:159). The leaders of the business should be prepared to focus on the mutual interests of the business, its individual customers, employees and other stakeholders (Gordon, 2013:27). This implies that leaders should choose the right customers with whom the business will collaborate most, to create dual-value.

The support and vision of top-level management is of the utmost importance to ensure that all employees buy into the implementation of CRM (Becker *et al.*, 2009:208; Santouridis & Tsachtani, 2015:307).

The implementation of the CRM programme is indeed very expensive. Businesses will be investing significantly in IT, process engineering, people development and employee training (Becker *et al.*, 2009:212). Leadership needs to be committed to the CRM programme (Johnson *et al.*, 2012:1094) and ensure that the funding is made available and appropriately deployed (Buttle, 2004:44). As Gordon (2013:30) wisely noted: "Businesses should view relationships positively and value sharing as a virtue, and not as a sign of negotiating weakness".

3.8.2 Customer-centric culture

The world became "commoditised" and it has become more difficult every day for a business and their products/services to be different from their competitors. Therefore the experience and emotions involved in using a product from a business can, however, be a differentiator (Du Plessis *et al.*, 2012:5).

A customer-centric business has a set of beliefs about putting the customer first (Berndt & Tait, 2012:159). According to Du Plessis *et al.* (2012:5) customer centricity can be viewed as similar to the marketing concept, because it refers to a business' orientation which focuses on the needs and behaviours of its customers. Peltier *et al.* (2013:1) agree with Du Plessis *et al.* (2012:5), and stress that a customer-centric business must constantly adapt to customer needs as well as the competition. As Molenaar noted: customers want to be known and recognised (Molenaar, 2015:3). In this study, it became imperative that each independent tenant should be noted as 'worthwhile' and contributes to the performance of the relevant shopping centre.

Customer information is of the utmost importance when the customer and the business interact. A customer-centric business collects, analyses and uses customer information to provide better value to customers (Johnson *et al.*, 2012:1098). Each customer contact point (Peltier *et al.*, 2013:2) provides the opportunity to gain valuable information to be able to build a profitable customer relationship (Ernst *et al.,* 2011:292).

In the execution of a customer-centric business, the business should be a listening business, a learning business and respond and act upon information from customers. Sanderson and Edwards (2016:125) comments that shopping centre management should have the necessary listening skills, open attitudes and motivation to develop a close, professional working relationship with tenants. The culture and values of the business must support the formation of enduring relationships, and should broadly align with the culture and the values of the businesses' chosen customers (Gordon, 2013:26).

3.8.3 Employees

For CRM to be effective, the role of all employees is of critical importance (Becker *et al.*, 2009:209). CRM can fail if only a limited number of employees are committed to this initiative (Ernst *et al.,* 2011:293). Staff members have two fundamental roles, namely information management and relationship management. They are responsible for collecting information from customers which will enable them to manage the relationships with their customers (Berndt & Tait, 2012:16).

Employees should have holistic views of their jobs, and have different skills, knowledge and personal traits in order to successfully implement CRM. These employees must be trained (Becker *et al.*, 2009:212; Gordon, 2013:33) to assist customers to make more informed purchasing decisions to ultimately obtain customer loyalty. Businesses need to empower their employees with the authority to engage with customers. Gordon (2013:30) refers to customer-facing employees that must have the ability to communicate with their customers, recognise them, remember their contact history, understand their issues, predict anticipated behaviours and make appropriate suggestions. Members of shopping centre management must have some empathy towards their independent tenants (Sanderson & Edwards, 2016:115). Increasingly, frontline employees (Harringan *et al.*, 2015:30) are becoming consultants, working together with customers to add value to both parties.

3.8.4 Technology

Today, most businesses understand the importance of technology as a key component to their business performance. Harrington *et al.* (2011) cited by Harrigan *et al.* (2015:28) mention that technology is a key CRM enabler which facilitates two main processes, namely, communication with customers and the management of customer data and information. According to Berndt and Tait (2012:173) customer expectations play a direct role in the emergence of CRM technology. The success of any CRM initiative depends largely on ensuring that the most appropriate facilitator with regard to CRM technology has been selected to assist the business in utilising the CRM programme efficiently (Berndt & Tait, 2012:161). The system must be flexible and easy to customise to stay in touch with a changing audience.

According to Becker *et al.* (2009:212) businesses do not need the most sophisticated technology to be successful. A business must first have its business objectives in place before focusing on technology. Successful small businesses do not necessarily need computers to build a loyal customer base over time. The traditional corner shop owner built intimate relationships with his regular customers by recognising their individual needs and tailored his service accordingly. It is important to keep the technological aspect of CRM in the correct perspective: as the means to an end and not the end itself.

There are many businesses who consider CRM to comprise only an IT approach (Becker *et al.*, 2009:209) to be able to manage customer relationships (Du Plessis *et al.*, 2012:533). It has been suggested by Goldberg (2008) cited by Johnson *et al.* (2012:1097) that an effective CRM initiative requires 50% on people, 30% on business processes and 20% on information technology, which should only be implemented after customer-facing business processes have been clearly defined and developed. According to Johnson *et al.* (2012:1097) the primary function of CRM technology is to facilitate business processes related to knowing customers and to stay in touch with their changing needs.

Technology can serve a multiple customer relationship role between a business and its customers, including the following (Gordon, 2013:34), which will be discussed next:

- external communication,
- internal communication, and
- computing.

3.8.4.1 External communication

Technology can assist a business to facilitate a two-way interaction between individual customers and the business about every aspect of their requirements, interactions and also working together to achieve mutual value. Customers can receive more informed communication (Wu & Lu, 2012:278) more rapidly; businesses can provide their customers with additional benefits such as increased control over their communications and finally, communicate more effectively and efficiently with different stakeholders (Gordon, 2013:34).

3.8.4.2 Internal communication

Within a business, technology can enable a business to remove '*stovepipe*' functionality from individual internal processes and technologies that face the customer so that customer relationships can receive more attention. Businesses should tie together diverse communications systems, call centres and data bases so that the business can become a more informed supplier (Gordon, 2013:34).

3.8.4.3 Computing

According to Gordon (2013:35), computing is used primarily to facilitate the storage (Harringan *et al.*, 2015:30) and retrieval of huge amounts of data which provide the history of a number of important factors which a business needs to advance their relationship with a customer. Previously, customer knowledge was centralised and this knowledge was neither current nor accessible to the employees who needed the information. Now, customer knowledge is potentially open and accessible to those who need it.

3.8.5 Customer information

Information about customers is of critical importance to CRM. Businesses need to capture specific information such as geo-demographic data, lifestyle information, behaviours, needs, profitability and social influence of customers to enable them to develop customer profiles (Berndt & Tait, 2012:161). According to Reimann *et al.* (2010), cited by Peltier *et al.*, (2013:1) customer data should also be of a high quality to be effective and should be regarded as a key business asset. High quality customer data (Peltier *et al.*, 2013:2) can be described when individual information of customers are collected across multiple transactions, touch points (Harringan *et al.*, 2015:30) and channels to accurately reflect the behaviour of customers. This high quality information can be used by a business to differentiate customers from one another (Gordon, 2013:36) and to add value to the customer relationship.

Gordon (2013:38) encourages businesses to deploy technology to develop a better customer memory.

Collected customer data are transformed by intelligence generation applications into customer knowledge (Santouridis & Tsachtani, 2015:307). Technology enables the manager to develop new knowledge and insight about the customer relationship and facilitate action based on this information. This though, must be done cost effectively (Johnson *et al.*, 2012:1097) to achieve dual value.

Relevant customer information will be used when the business wishes to invest in new marketing programmes (Peltier *et al.*, 2013:2) for the future. Businesses can also use technology to reach out to non-customers (Gordon, 2013:38), using social media so that customers want to tell their friends and are encouraged and reminded to do so.

3.8.6 Processes

Processes refer to 'the way in which things are done to enable the strategy to be implemented successfully', and CRM requires that the processes must be arranged around the needs of the customers (Berndt & Tait, 2012:180). According to Rababah *et al.* (2011), as cited by Santouridis and Tsachtani (2015:306), CRM processes include all the activities that take place inside a business which influence the duration and the quality of customer relationships.

In recent years, businesses have started to realise that processes are what deliver value to the customer. Payne (2006:13) views a process as any discrete activity that adds value to an input.

According to Gordon (2013:43), it is appropriate to revisit all business processes to ensure that they are aligned with the relationship management objectives, strategy and structure to ensure that the customer is indeed at the heart of the business. The goal of process alignment is to reduce the costs of maintaining the relationship (Berndt & Tait, 2012:172). It may be appropriate to change the processes to suit the needs of different customers.

Through CRM processes, a business can synchronise its systems around service delivery to the customer, which then can be used to predict the customer behaviour, implement smarter customer strategies and maximise profitability (Berndt & Tait, 2012:163). Geib *et al.* (2005) cited by Santouridis and Tsachtani (2015:306) CRM processes are classified into three groups, namely delivery processes (sales, service support, marketing promotions), support processes and analysis processes. Collected customer data are transformed by intelligence generation applications into customer knowledge.

3.9 CONCLUSION

In the context of this study, CRM applies to the relationship between the independent tenant and the management of the shopping centres. CRM builds on the principles of RM, which involves the building of relationships of mutual value between the afore mentioned parties. CRM uses information technology to enable a closer fit between what the shopping centres' management offers and the needs of their independent tenants. Shopping centre management should gain a deeper understanding of their tenants needs to foster loyalty. Shopping centres management should also continuously capture all relevant information regarding their tenants' operations and performance in order to add value to their individual businesses and profitability.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

According to Fox and Bayat (2007:5), research is a study or investigation to discover facts or gain information. It is a universal activity that involves studying a specific phenomenon objectively in order to create an acceptable idea of that phenomenon. Fox and Bayat (2007:6) point out some of the important characteristics of acceptable research, namely:

- "It should be aimed at solving problems and should not be conducted hastily.
- It should make possible the development of generalisations, theories and principles.
- It should be based on empirical data or observable experience.
- It requires accurate and objective observation and description.
- It requires the collection of new data or the use of existing data in realising different objectives.
- It should make use of procedures that enhance accurate analysis.
- It should be free of biased opinions.
- It requires precise recording, reporting, definitions, descriptions of procedures, acknowledgement of sources, conclusions and recommendations".

This chapter focuses on the research methodology that was followed to attain the primary and secondary objectives of the study. Several key components of the empirical enquiry are discussed in this chapter. The research approach provides an outline of the research process and the research design followed. The layout of the questionnaire and the interviews used to gather data will be explained. The sample procedure, sample size as well as the gathering of data will be discussed. Thereafter, the validity and reliability of the testing instruments will be addressed.

The primary purpose of basic research is to document the discovery and interpretation of data and development of systems and methods for progression of human knowledge. The research approach depends on epistemologies, which differ significantly both within and between sciences and humanities. The research philosophy guides a more strategic approach to the empirical process.

4.2 RESEARCH PARADIGM AND PHILOSOPHY

According to Leedy and Ormrod (2010:2) research is a systematic process of collecting, analysing and interpreting information in order to increase the researcher's understanding of the phenomenon of interest. The research paradigm is a significant consideration when undertaking a research study. Ang (2014:36) describes a paradigm as being, "Fundamental models or frames of reference to organise the researcher's observations and reasoning".

Du Plooy-Cillers (2014:19) defines a research paradign as a basic set of beliefs that guides and directs the action of the researcher. The latter further states that the choice of a paradigm is influenced by four main factors: the problem, the researcher, the methodology and the expected outcome. The beliefs of a researcher influence the approach to be taken in the research which can either be a qualitative, quantitative or a mixed methods approach. This study follows a mixed methods approach.

The three dominant research traditions are positivism, interpretivism and critical realism. Positivism can be broadly defined as the approach of the natural sciences. Interpretivism developed as a reaction to the shortcomings and limitations of positivism. The main idea on which this paradigm rests is that people are fundamentally different from objects. Interpretivism holds that everyone interprets the world in their own way and therefore constructs their own realities (Quinlan, 2011:96). Critical realism holds that real structures exist independent of human consciousness.

According to Du Plooy-Cillers (2014:19) paradigms are all-encompassing systems of interrelated practice and thinking that define for researchers the nature of their enquiry along three dimensions which are ontology, epistemology and methodology. Ontology specifies the nature of reality that is to be studied and what can be known about it. Epistemology specifies the nature of the relationship between the researcher and what can be known. Methodology specifies how the researcher may go about practically studying whatever he or she believes can be known.

This study firstly uses an interpretivism paradigm approach. The main idea on which the interpretivism paradigm rests is that people are fundamentally different from objects and that human beings cannot be studied in the same way as objects are (Du Plooy-Cilliers *et al.*, 2014:27). Interpretivists want to study and understand human behaviour. In the context of this study, the relationship behaviour between independent tenants and management teams were triangulated through conducting personal interviews and interviewer-administrator surveys. Focussed observation of the mentioned dualistic relationship behaviour confirms to the paradigm principles. This study also uses the positivism paradigm approach. According to Du Plooy-Cilliers (2014:24) positivist believe that valid knowledge can only be gained from objective, and empirical evidence. The latter want to learn how the world works in order to predict and control events. By collecting quantitative information, evidence must be found to support or reject the objectives set by the research study.

According to McDaniel and Gates (2010:61) the research process can be divided into a series of chronological steps, although in reality these steps are interrelated. The latter (2010:61) points out the following steps:

- Identify the research problem and objectives.
- Develop a research design.
- Design a data collection method.
- Manage and implement data collection method.
- Analyse data.
- Present result and implications.

For clarity and comprehension purposes, the researcher chose to use the research process steps as proposed by McDaniel and Gates (2010:61) to explain the research methodology used in this study.

4.3 MARKETING RESEARCH PROCESS

When marketing management is confronted with a problem or opportunity for the first time, it is certainly not clearly defined. After investigating the actual situation, and clarifying the marketing problem or opportunity, the problem is reformulated as a clearly defined research problem (Widd & Diggines, 2009:33).

4.3.1 Step 1: Identify the research problem and objectives

The first step in the marketing research process is to identify and define the research problem to be examined carefully and accurately. Wiid and Diggines (2009:32) explain that a problem or an opportunity in the market, has to be clearly defined before it can be solved or utilise. The step highlights specific areas that need additional attention by including and stipulating the research objectives that are intended to support the research problem

The research problem (Chapter 1, section 1.3.1) addressed in this study reads: *there is no trust, commitment and shared values between independent retailers of regional shopping centres and the management teams of these centres.*

The research objectives of this study were mentioned in Chapter 1, section 1.4. The primary objective of this study is to:

- Identifying the key principles that would contribute to maintaining satisfactory relationships between tenants and management of regional shopping centres to ensure sustainability for both role players.

In accordance with the primary objectives of the study, the following secondary objectives are to:

- Undertaking a literature analysis of the meaning of a relationship in a business to customer (B2C) environment and the principles that constitute to a successful relationship.

- Determining how tenants experience their involvement in the running of the shopping centre?

- Determining tenants' expectations regarding their relationship with management.

- Determining which factors support the retention of centre management's customers.

4.3.2 Step 2: Develop a research design

A research design is simply the outline, framework or plan for the research project that is used to guide data collection and analysis (Ang, 2014:101). According to Brynard *et al.* (2014:37) research methodology is the "*how*" of collecting data and the processing thereof. A research design serves as a bridge between what has been established (research objectives) and what is to be done, in the conduct of the study to realise those objectives. It serves as a "*master plan*" for executing the research project. The researcher should clearly specify what information is required from the research and from which sources the information will be obtained (Du Plooy-Cilliers *et al.*, 2014:93).

There are three types of research approaches. The most common and useful approaches are exploration, description and causalities (Du Plooy-Cilliers *et al.*, 2014:74). According to the latter, any given study can have more than one of these purposes, and according to Ang (2014:101), most do.

4.3.2.1 Exploratory research

Du Plooy-Cilliers *et al.* (2014:75) describe exploratory research as initial research conducted to clarify the nature of the research problem by giving ideas as to how the problem can be addressed. Therefore, exploratory research collects information in an unstructured, informal manner to progressively narrow the scope of the research topic and consequently paraphrase the problem clearly.

An exploratory study is undertaken when not much is known about the situation at hand or where there is a lack of published research (Wilson, 2014:118) available on how similar research issues or problems have been solved in the past. In such cases, preliminary work (Wiid & Diggines, 2009:55) needs to be done to gain familiarity with the phenomenon in the situation and understand what is occurring before developing a set of hypotheses (Wilson, 2014:118). According to Wilson (2014:118), exploratory research is mainly qualitative and typically uses focus groups, in-depth interviews, historical analysis and observations to gather relevant data. As a result, exploratory research seldom provides conclusive answers to research problems (Babbie, 2010:93), but provide direction for future research opportunities.

4.3.2.2 Descriptive research

Descriptive research is carried out to describe existing or past phenomena (Wilson, 2014:118). According to Wiid and Diggines (2009:55), descriptive research can describe opportunities or threats and answer questions such as: who, what, when, where and why? The emphasis is on an in-depth description of a specific situation (Ang, 2014:75) as in this case where the relationship between the tenants and the management of regional shopping centres is described. According to Widd and Diggines (2009:55) descriptive research is necessary when the knowledge of a particular marketing aspect is vague or unclear. The emphasis is on an in-depth description of a specific individual, situation, group, business, culture, etc.

Methods used for descriptive research include longitudinal and cross-sectional studies. According to Widd and Diggines (2009:56) longitudinal studies involve a repetitive measurement of the same sample of elements over time, where-as cross-sectional studies involve collecting information from a sample of the population just once. Widd and Diggines (2009:56) describe a cross-sectional survey as one where the data is collected at one point in time only. As a result, this type of research can be completed over a relatively short period; it is less time-consuming and less expensive than a longitudinal study (Wilson, 2014:125). This study can be considered cross-sectional as each respondent completed the survey once, and the data collected by the survey represent *inter alia* the relationship between retailers and the management of regional shopping centres in a South African context at a single point in time.

For the purpose of this study, descriptive research was used to obtain information (qualitatively) from the tenants and the management of the shopping centres to establish key attributes that contribute to a mutually satisfactory relationship between parties.

4.3.2.3 Causal research

According to Widd and Diggines (2009:56) the purpose of causal research is to reflect causality between variables. A researcher engages in causal research, and aims to determine cause-and-effect relationships between the variables (Wilson, 2014:119). Wiid and Diggines

(2009:56) point out that causal research is usually conducted by means of laboratory experiments where conditions can accurately be recreated in an artificial environment in order to control and manipulate variables or by means of field experiments in a natural setting, where variables cannot be controlled.

4.3.3 Step 3: Design data collection method

Once a research problem has been defined and clearly specified, the research process logically turns to data collection, which focus on gathering data that can be processed into information for effective use in marketing decision-making. Two data sources, secondary and primary data are available to support the research process and will be discussed in the following sections.

4.3.3.1 Secondary data sources

Secondary data is described as data that was collected for an earlier purpose and not for the study or problem at hand (Shiu *et al.*, 2009:45). Secondary data is typically historical and already collected and does not require access to respondents or their opinions.

The researcher usually begins by collecting and analysing secondary data, but may find that secondary data is not always sufficient to address the research problem. According to Bryman and Bell (2014:267), although secondary data is normally cheaper and quicker to collect than primary data, the researcher must always consider the relevance, accuracy, reliability and timeliness of secondary data. For the purpose of this study secondary data was obtained by means of an extensive literature review (chapter 2 to 3). The literature review focused on expanding the researcher's knowledge on theoretical constructs such as marketing, the retail industry and the shopping centre industry (chapter 2) as well as RM, customer satisfaction, and relationship features such as loyalty and retention (chapter 3). The majority of secondary data was obtained from published works which include Academic Journals articles, academic text books and published empirical studies.

4.3.3.2 Primary data sources

Primary data is data that has not been collected previously and must be collected by a formal marketing research investigation. Primary data is specifically concerned with the research problem (Ang, 2014:122) and is more relevant to solve the research objectives than secondary data. According to the latter, primary data are unique to the researcher's own study. Primary data can be collected through either quantitative research or qualitative research. The researcher chose to use a combination of qualitative and quantitative methods to obtain primary data.

- **Qualitative data**

Qualitative research as described by Widd and Diggines (2009:86) involves the collection, analysis and interpretation of data that cannot be numerically reviewed in a meaningful way. According to Du Plooy-Cilliers *et al.* (2014:173), qualitative research involves looking at characteristics, qualities, events, people and matters associated with them that cannot easily be reduced to numerical values. Qualitative researchers will look at and analyse complexities of a particular phenomenon. According to Brynard *et al.* (2014:39) qualitative methodologies allow the researcher to know people personally, to see them as they are and to experience their real-life situations. This enabled the researcher to interpret and describe the actions of people. The researcher conducted personal interviews with three members of the regional shopping centre management teams and two similar interviews with independent tenants in each mall to establish the characteristics which are essential to securing their complex relationship as well as to identify problem areas of their relationship. According to Morgan (2014:47), qualitative research is generally less structured than quantitative research and, due to the detailed data collected, uses smaller sample sizes.

- **Quantitative data**

Morgan (2014:48) describes quantitative research as "looking at amounts, or quantities, of one or more variables of interest". Quantitative research concerns things that can be counted (Du Plooy-Cilliers *et al.*, 2014:148; Brynard *et al.*, 2014:39). According to the latter, quantitative research is concerned with systematic measurement, statistical analysis and methods of experimentation. The quantitative researcher typically tries to measure variables of the physical world. Questionnaires were distributed to the independent tenants of the regional shopping centres.

It is not always possible to draw clear-cut boundaries between quantitative and qualitative research methodology as in most research projects the methodologies of both are used. There are several reasons why mixed approaches are growing more common in social science research. According to Morgan (2014:58) mixed approaches take advantage of the best of the two methods. It also reduces many shortcomings of either the quantitative or qualitative approaches. The mixed method approach allows for the use of both inductive and deductive reasoning. Morgan (2014:59) adds that the mixed method creates a broader picture by adding depth and insights to "numbers" through inclusions of dialogue, stories and pictures. And lastly, adds detail to "words" through the inclusion of numbers tallying, and statistics which can make results more generalisable. The researcher chose to use a combination of both methods to obtain primary data which includes personal interviews and a survey research design. According to Lwoga *et al.* (2010), cited by Bryman and Bell (2014:153), mixed methods involve using both quantitative and qualitative methods to triangulate various data collection instruments with the intention that all the data will converge to support the research objective of the study. In this study, semi-structured interviews were used to obtain qualitative data and quantitative data were gathered through self-administered questionnaires.

A comparison of qualitative and quantitative research is given in Table 4.1.

Table 4.1

Comparing qualitative and quantitative research

Qualitative Research	**Quantitative Research**
Induction **Purposes** • Generates theory from observations • Oriented to discovery, exploration **Procedures** • Emergent design • Merges data collection and analysis	**Deduction** **Purposes** • Tests theory through observations • Oriented to cause and effect **Procedures** • Predetermined design • Separates data collection and analysis
Subjectivity **Purposes** • Emphasises meaning, interpretation • Tries to understand others' perspectives **Procedures** • Researcher is involved • Researcher is the "research instrument"	**Objectivity** **Purposes** • Emphasises things that can be measured • Results do not depend on beliefs **Procedures** • Researcher is detached, distant from data • Relies on standardised protocols
Context **Purposes** • Emphasises specific depth and detail • Analyses holistic systems **Procedures** • Uses a naturalistic approach • Relies on a few purposively chosen cases	**Generality** **Purposes** • Emphasises generalisation and replication • Analyses variables **Procedures** • Uses experimental and statistical controls • Works across a larger number of cases

Source: Morgan (2014:58).

Qualitative and quantitative research can, be further subdivided into distinct techniques of data collection.

- **Qualitative data collection techniques**

The various qualitative data collection techniques include personal in-depth interviews, projective techniques and focus groups. In this study, in-depth personal interviews were held with 3 relevant members of the shopping centres and will be discussed in the following section.

a) Personal in-depth interviews

The interview is a prominent data collection strategy in both quantitative and qualitative research. Qualitative research interviews can be flexible and are semi-structured or unstructured. According to Bryman and Bell (2014:215) the flexibility of qualitative interview makes them a very attractive data collection strategy. The researcher needs to be fully prepared and will aim to provide a relatively informal setting in order to discuss the participants views and perspectives on the research subject.

Interviews are more commonly associated with a qualitative research strategy (Wilson, 2014:153). According to Bryman and Bell (2014:41), qualitative research deals with the underlying qualities of subjective experiences as well as the meanings associated with a phenomena. Qualitative researchers ultimate aims are to explore, understand and describe and not to explain, measure, predict and generalise as quantitative researchers do. According to the latter, interviews allow the researcher to gain an insight into a person's beliefs and attitudes towards a particular subject. A face-to-face interview is a direct meeting between an interviewer and an interviewee. Morgan (2014:54) believes that personal interviews are relatively unstructured, questions develop spontaneously, and the interviewer can probe for in-depths answers (Du Plooy-Cilliers *et al.*, 2014:188) by stimulating and motivating the respondents to participate. According to Wilson (2014:153) and Ang (2014:147), a face-to-face interview is sometimes referred to as a personal interview, because of the nature thereof. There are several advantages associated with personal interviews, including the following:

- The ability to engage in verbal and non-verbal communication.
- The respondent's feedback can be recorded (if permitted), which implies accuracy.
- There is greater flexibility when asking questions.
- The completion is immediate and straightforward.

- The interviewer is in control of the interview process, which allows the interviewer to clarify any misunderstandings, allowing the respondent the opportunity to answer completely.
- The interviewer can attend to any queries immediately.

There are also a number of disadvantages which include the following:

- The respondents cannot always be guaranteed anonymity and therefore may be reluctant to provide sensitive or confidential information.
- Setting up and carrying out the interview can be problematic, because many interviewers lack interviewing skills.
- Transcribing and analysing data is time-consuming and subjective.
- The respondent may be unwilling to answer certain questions.

Personal qualitative interviews were held between the researcher and three members of different regional shopping centres' management teams. Each respondent was asked eight semi-structured questions regarding the relationship between the management of the shopping centre and the tenants thereof. See Appendix B for further details. According to Morgan (2014:109), the main objective of these interviews was to learn more about the participant's perspectives on the research questions. He further reasons that by doing "discovery-oriented work, the researcher can uncover topics that should be included in the survey". The researcher made use of an interview document during the interview process to make personal notes of all the answers and key points during the interview. The researcher scheduled and conducted three face-to-face interviews over a period of two weeks. Interviews were held at various locations, including business offices, personal offices and coffee shops. The researcher explained the purpose and the objectives of the research project clearly too each respondent. Variables were identified from the interviews for use in the survey and will be discussed in the following section.

Every research study has challenges that hinder obtaining access to necessary data sources on time. Regarding the semi-structured interviews, those were very time consuming. The researcher was very much interested in the interviewee's point of view and therefore many questions which were not included in the guide were asked as the interviewer picked up on responses made by the interviewees (Bryman & Bell, 2014:224).

- **Quantitative data collection techniques**

Quantitative data collection techniques include mainly surveys, observation and experiments. For the purpose of this study a person-administered survey method was used. The researcher conducted surveys at the tenants' business outlet in the shopping centre.

a) Surveys

Surveys are mainly used in studies that have individual people as units of analysis (Ang, 2014:155). According to the latter, survey research is probably the best method available to the social researcher who is interested in collecting primary data for describing a population too large to observe directly.

According to Leedy and Ormrod (2010:108) and Du Plooy-Cilliers *et al.* (2014:149), survey research is a study to determine the incidence, frequency and distribution of certain characteristics in a population. It involves acquiring information about one or more groups of people, perhaps their characteristics, opinions, attitudes (Ang, 2014:155) or pervious experiences by asking questions and tabulating their answers. According to Dillman *et al.* (2014:56) and Quinlan (2011:325), survey research methodology works well when the researcher wishes to conduct research on a large scale. According to the latter, a sample is then drawn from a given population. Surveys take on different forms. There are mail surveys, telephone surveys, personal interviews and group administration (Du Plooy-Cilliers *et al.*, 2014:150). The researcher decided to conduct person-administered surveys (Dillman *et al.*, 2014:99) to collect quantitative data. Survey interviews (Du Plooy-Cilliers *et al.*, 2014:151) are structured, face-to-face encounters in a certain setting, where a set of standardised, mostly closed-ended questions are asked and responses recorded. According to the latter, the major advantages of using survey interviews are that questions can be clarified, response rates are high, and respondents do not have to be literate. The interviewer can motivate, encourage and probe respondents for complete answers (Dillman *et al.*, 2014:99) On the other hand, collecting quantitative data by means of personal interviews is extremely time consuming and lacks anonymity. Respondents tend to be less honest, and their dishonesty can affect the validity of the research findings. Dillman *et al.* (2014:99) and Bryman and Bell (2014:224) also warn against the risk of social norms being evoked by conducting interviewer-administered surveys which may have an impact on the researcher's results. According to them, the two normative phenomena are social desirability and acquiescence. Social desirability is the tendency to provide answers that put one in a good light with the interviewer, where as acquiescence refers to the tendency to agree with someone rather than disagree.

b) Characteristics of the survey method

- Survey research is based on a specific, logical and formal procedure.
- Survey research selects units of the population without personal prejudice.
- Survey research is aimed at the present rather than at historical findings.
- Survey data is original and does not exist in any other form.
- Survey data is obtained from a sample of the population.
- Survey data is collected quickly, as surveys are done in a short time in the field (Widd & Diggines, 2009:108).

4.3.3.3 Questionnaire design and content

a) Preliminary considerations

The questionnaire is a popular data collection tool among researchers engaged in primary research (Du Plooy-Cilliers *et al.*, 2014:152). Aaker *et al.* (2011:131) state that the researcher must first determine exactly what information he /she wants to gather from respondents. The nature of the information required is determined by the research objectives of this study and should address all the requirements identified in these objectives.

b) Question content

According to Dillman *et al.* (2014:94), it is very easy to ask questions, but difficult to ask the *right* questions. The latter (2014:97) argue that ambiguous questions will result in non-comparative answers; leading questions will produce biased answers and vague questions will lead to unclear answers. Wiid and Diggines (2009:173) confirmed that all the questions that are contained in the questionnaire must contribute to the overall research objectives.

c) Designing of questionnaire

The design of the questionnaire is very important as it will ultimately have a huge influence on whether the marketing problem is solved or not. The questionnaire needs to fulfil the following purposes (Du Plooy-Cilliers *et al.*, 2014:152):

- "It must collect the relevant data required to solve the marketing problem.
- It should ensure that the collected data is comparable.
- It should minimise biases.
- It should attract and motivate respondents to participate.
- It should encourage respondents to be honest when answering.
- It should facilitate the task of the interviewer and the data-processing activities".

There are a few key factors to take into consideration when designing the questionnaire. Factors to consider prior to administering the questionnaire are summarised as follows (Bryman & Bell, 2014:204):

- What to ask? The researcher needs to formulate a clear set of research questions using questioning techniques that allow the researcher to address each of the respective research questions. The types of questions in the questionnaire were both closed and open ended.
- Layout – the questionnaire should be structured in a logical and clear manner.
- Length – establishing the ideal length of the questionnaire is always difficult. There are two factors that the researcher can take into consideration to establish the length of the questionnaire though: firstly, the interviewer should look at questionnaires implemented by previous researchers in his or her subject area and secondly, conduct a pilot study for testing purposes.
- Coding – coding is used as part of the questionnaire in order to help process and analyse data. Burns and Bush (2010:352) define coding as the "use of numbers associated with question response options to facilitate data analysis after the survey has been done". This creates a suitable data set for analysis.

A well-produced questionnaire is capable of generating accurate data. Unfortunately, many researchers experience problems with questionnaires, because they fail to take certain principles relating to questionnaire design into account.

When the questionnaire for this research was developed, great care was taken to ensure that the wording of the questionnaire was clear, simple and easy to understand without compromising the objectives of the study (Dillman *et al.*, 2014:117). In order to test content validity of this questionnaire, independent retailers (3) within in a typical retail environment were asked to each complete and review the questionnaire and give their input in terms of the clarify and distinctiveness of the questions. Specific attention was given to the time needed to complete the questionnaire, biasness created by questions and general suggestions and recommendations. After this the feedback was included into the questionnaire, it was send to a statistician for a face validity evaluation.

d) Level of measurement

Before the actual questionnaire can be created, researchers need to establish the level of measurement required to ensure the required information is obtained. Each level of measurement delivers a different amount of information about the construct measured, which therefore determines the type of analysis necessary for the collected data (Proctor, 2005:167). There are four basic levels of measurement, which include nominal, ordinal, interval and ratio scales.

Various kinds of rating scales have been developed to measure attitudes directly. Although the Likert scale (established by Rensis Likert) is the most popular scale used in marketing research (Widd & Diggines, 2009:167; Quinlan, 2011:327), the researcher was in favour of a simple 4-point itemised Interval Scale. Respondents indicated on a 4-point scale to what extent they agree or disagree with a variety of variable based statements related to an attitude or object. The Interval Scale includes strongly disagree, disagree, agree and strongly agree (Weiers, 2008:10).

e) Types of response formats

Questionnaires use open-ended and closed-ended questions. Open-ended questions requires the respondent to answer the questions in their own words and are unstructured in nature. This can pose some challenges as the interpretation of the data can be difficult as they used their own word and opinions (Burns & Bush, 2010:300). In contrast closed-ended question are more structured and provide the respondent with a fixed selection of alternatives that best fits his/her response (Cant *et al.*, 20018:151). The questionnaire in this study used open-ended and closed-ended questions.

f) Layout of questionnaire

The physical appearance of the questionnaire must always be appealing and indicate a professional study. The questionnaire comprised of three sections. The first section consists of introductory questions on retail, shopping centres, management of shopping centres, tenants and the relationship between the different parties. The second section focused on the characteristics of a loyal relationship between the tenants and the management of the regional shopping centres. The third section of the questionnaire focused on demographic information since the latter provides classification data, useful for cross-classifying responses to other questions.

Questions in the questionnaire used in this study were classified into the following three sections:

- Section A: Business data
- Section B: Relationship attributes
- Section C: Demographics

Although a pilot study to confirm an understanding of the layout and interpretation of the questionnaire amongst typical respondents were not executed, an exploratory qualitative investigation was done. This action entails that relevant 3 typical respondents being approached with the sole purpose for testing the fully understanding of the quantitative questionnaire. Only minor interpretation discrepancies were identified and corrected.

4.3.4 Step 4: Manage and implement data collection method

The next step in the marketing research process involves managing and implementing the data collection method, which also contains designing the sample and collecting the required data to be used in the research study.

Figure 4.1 illustrates a framework of the phases that the research process should follow when drawing a sample from the population (Malhotra, 2010:336).

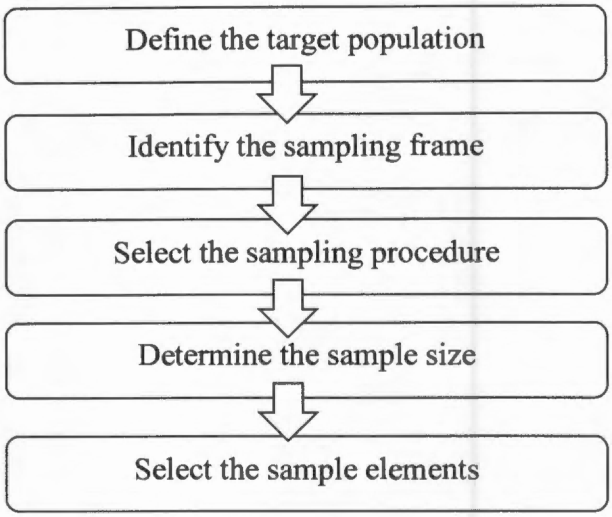

Figure 4.1 The sampling design framework
Source: Malhotra, 2010:336

4.3.4.1 Phase 1: Define the target population

Du Plooy-Cilliers *et al.* (2014:132) describe a population as the total group of people or entities from whom information is required. Brynard *et al.* (2014:57) view a population as a group in the universe which possesses specific characteristics.

There are 332 shopping centres in the Western Cape, of which six can be classified as major regional shopping centres and having a total of 971 tenants (Urban Studies). In Table 4.2 and Figure 4.1 the classification of the Western Cape shopping centres is indicated.

For the purpose of this research study, the target population consists of the six major regional shopping centres, the management teams and the independent tenants of these centres in the Western Cape of South Africa.

4.3.4.2 Phase 2: Identify the sampling frame

The researcher should consider who will be part of the investigation. This is referred to as a research frame (Cant *et al.*, 2003:47). Wilson (2014:212) refers to a "sampling frame" as a list of the actual cases from which the sample will be drawn. For the purpose of this study the sampling frame consisted of all the independent tenants and management teams of the three regional shopping centres in the Western Cape.

4.3.4.3 Phase 3: Select a sampling procedure

It often happens in research that the population to be studied for a particular research project is of such a magnitude that it could take the researcher many years to complete the research. Therefore, the researcher selected a small group (sample) from the larger group (population) for study purposes which is still representative of the larger group (Dillman *et al.*, 2014:57).

According to Brynard *et al.* (2014:56), a sample of the population is used to:

- simplify the research,
- save time,
- cut costs, and
- determine the specific properties of the whole.

Methods of drawing a valid and representative sample include probability sampling and non-probability sampling (Wilson, 2010:193). These methods are discussed accordingly.

a) Probability sampling

Probability samples are chosen in such a way that every respondent has a known chance of being included in the sample (Wilson, 2010:193). All respondents do not necessarily have the same chance of being selected, but the probability of selection can be specified (Leedy &

Ormrod, 2010:211). The various methods of probability sampling include simple random, systematic, stratified, cluster and multistage sampling.

b) Non-probability sampling

According to Du Plooy-Cilliers *et al.* (2014:137) non-probability sampling implies that the probability of each case being selected from the total population is not known. Patton (1990), cited in Wilson (2014:219) and Quinlan (2011:213), refers to the sampling technique, purposive or judgemental sampling as a strategy in which particular settings, persons or events are selected deliberately in order to provide important information that cannot be obtained in any other way. In other words, inclusion is based on the researcher's own personal judgement. There are a few reasons why a researcher would decide to include certain cases but exclude others, namely:

- the case is unique,
- the case is a critical one, and
- the case allows the researcher to focus on heterogeneous or homogeneous groups.

Two of the drawbacks associated with purposive sampling are, firstly, the potential for sampling bias and secondly, not being able to generalise the research finding to the wider population. According to Wiid & Diggines (2009:199) applying non-probability sampling techniques does not mean that good results cannot be obtained, the reliability of the results just cannot be confirmed. Non-probability sampling methods include convenience, purposive, quota and snowballing.

For the purpose of this study a non-probability and a purposive sampling method was implemented from the given sample frame, which involved choosing sample units subjectively. This study focused on independent tenants and management teams of regional shopping centres in the Western Cape.

Table 4.2

The classification of the shopping centres in the Western Cape

Shopping Centres: Western Cape		
Classification	**Number**	**Average Square Meter**
Airport retail	2	4858
Big box retailers	5	8663
CBD/Town centre	13	9093
Community centre	7	21526
Hyper centre	3	30426
Large community centre	6	27845
Lifestyle centre	3	19988
Local convenience centre	150	3495
Major regional centre	**6**	**70031**
Minor regional centre	11	37833
Neighbourhood centre	96	9157
Part of regional node	7	21606
Part of super regional node	11	19580
Specialty centre	7	5504
Super regional centre	1	146828
Value centre	4	15178
Total:	**332**	**451611**

Figure 4.2 Shop classification – Western Cape

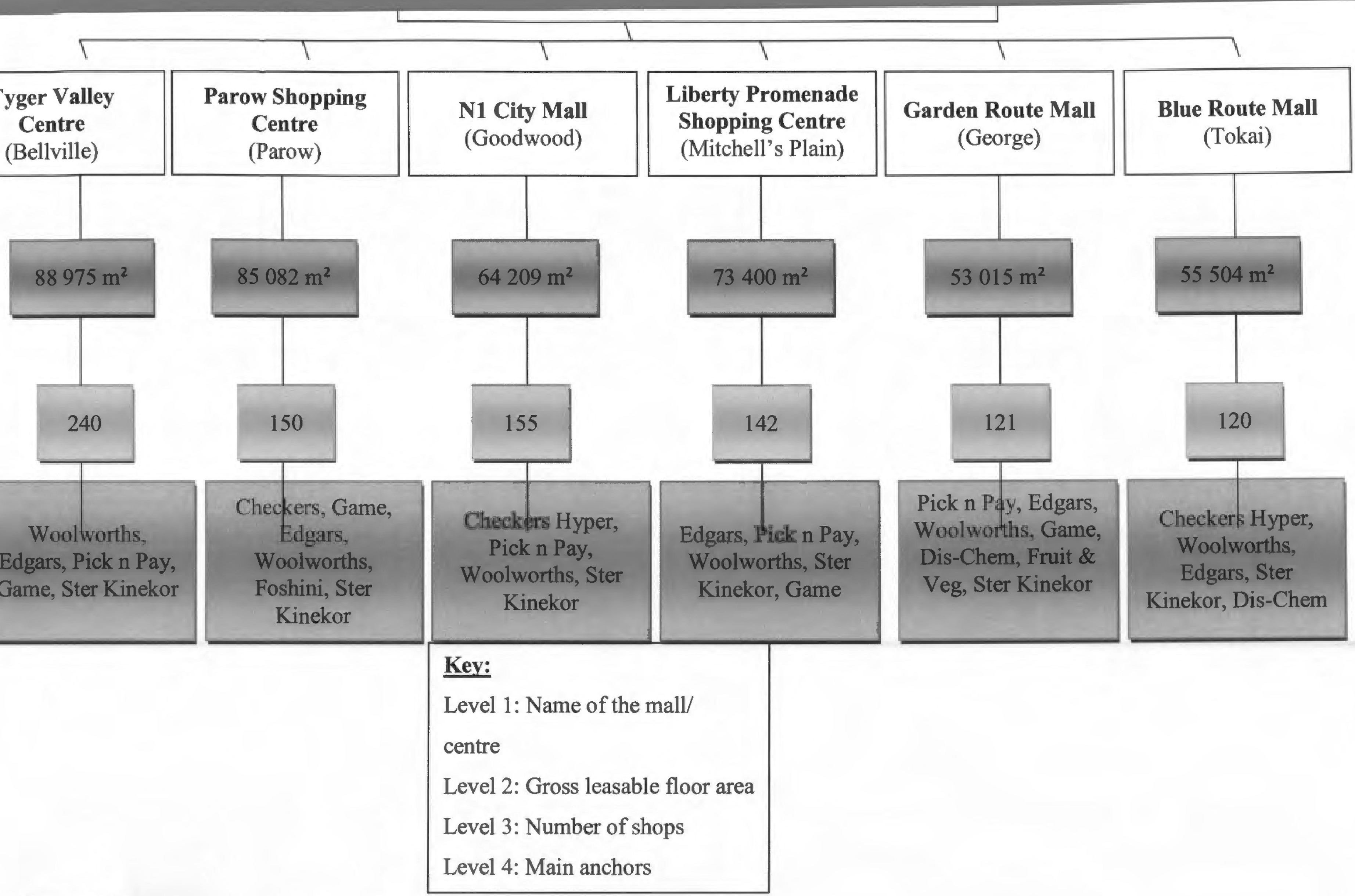

Figure 4.3
Major Regional Shopping Centres - Western Cape

4.3.4.4 Phase 4: Determine the sample size

There is no short answer to this question, because a number of factors can influence the researcher's choice. According to Bryman and Bell (2014:176), sampling can never be 100% correct. These authors are of the opinion that the sample size to use is often a case of judgement, rather than a calculation. According to Du Plooy-Cilliers *et al.* (2014:135), there are no fixed rules for determining sample sizes. The researcher needs to choose a sample that is big enough to yield a relatively precise estimate of the population's values, but is financially viable and easily put into practise at the same time. Bryman and Bell (2014:177) believe an important component of any decision about sample size should be how much sampling error the researcher is prepared to tolerate. According to Wilson (2014:222) there are different methods that can be used for determining sample size which include intuition, statistical precision, cost limitations and industry standards.

Based on figure 4.2 and table 4.2 a representative sample of 50% of the mall target population had been chosen. Three well established regional shopping centres were included in the sample. The mentioned three regional shopping centres will be referred to as mall 1, mall 2 and mall 3 to ensure brand anonymity. The three shopping centres chosen are geographically located in different areas within the Western Cape with differing customer profiles, although similar in gross leasable floor area, number of shops and main anchors. The sample was meant to provide responses representative of independent tenants of major regional shopping centres, rather than the population of all shopping centres in the Western Cape.

A recommended sample size for a population of 200, with a confidence level of 95% and a margin of error of 0.05% would be acceptable between 108 to 132 (Research advisors, 2006). The final sample realised to a total of 93 independent tenants.

4.3.4.5 Phase 5: Select the sample elements

The final phase in the sampling procedure requires the choosing of the various sample elements or respondents. These include all those respondents who ultimately participate in the research project, and whose opinions, behaviours or characteristics will represent the target population (Wiid & Diggines, 2009:214).

For the purpose of this study the sample elements were purposively chosen and included independent tenants of regional shopping centres in the Western Cape of South Africa.

4.3.4.6 Phase 6: Collection of data

The next step in the marketing research process involves collecting the primary data from the respondents identified in the sample procedure. In this study the survey method was used to collect the primary data.

Prior to the data collection process, the researcher needed to first gain permission from the shopping centre's management to conduct the study. Questionnaires were hand-delivered to all respondents. The identified sample groups were presented with a cover letter attached to the questionnaire which explained the purpose of the study. The rights of the participants in the study were explained and they were also informed of the anonymity as well as their rights to withdraw anytime from the study. By completing the questionnaire, participants gave their informed consent and this ensured voluntary participation. The researcher found it a challenge to enlist full participation from the participants as not all the tenants (owners) were cooperative or willing to answer the questionnaires.

Quantitative data collection was done in a manner that did not disrupt the lives of the respondents; participation was voluntary, anonymous and confidential. Although the nature of the study and type of data required did not expose the respondents to physical harm, caution was taken to ensure that the questions asked in the questionnaires and during the interviews did not cause any emotional discomfort.

The most common challenge experienced by the researcher for obtaining quantitative data was the completion of the questionnaires. The process was completed over a three month period during January to March 2016.

4.3.5 Step 5: Analyse data

The analysis of data requires a number of closely related operations such as the establishment of categories, the application of these categories to raw data through coding, tabulation and then drawing statistical inferences. According to Kothari (2006:18), the data should be condensed into a few manageable groups and tables for further analysis. All the returned data was captured on an excel spreadsheet.

Statistical analysis was carried out using the Statistical Package for the Social Sciences Incorporated Program (SPSS Inc, 2016). This programme was used to capture data and to create a data set. The execution of the data analysis was done by the Statistical Consultation Services of the North West University. Analysis of data also requires that the researcher should determine the reliability and validity of the study was well as different types of descriptive and multivariate statistics for analysis. According to Burns and Bush (2010:319) the success of a study is greatly influenced by the validity and reliability of the measurement instrument. Validity and reliability will be discussed in the following sections.

4.3.5.1 Validity

According to Quinlan (2011:42), the concept of validity in research refers to "how logical, truthful, robust, sound, reasonable, meaningful and useful the research is". Wilson (2014:132) describes validity as the relationship between a construct and its indicators. Bryman and Bell (2014:25) believe validity is concerned with the "integrity of the conclusions that are generated from a piece of research". According to the latter, validity can be viewed on the basis of internal and external validity. The two main types of internal validity are content and construct validity, whereas external validity is viewed in a holistic way.

There are two types of content validity, namely: face validity and sampling validity (Du-Plooy-Cilliers *et al.*, 2014:256). Content validity refers to a subjective, but systematic, evaluation of how well the content of a scale represents the measurement task at hand. "Face" validity concerns the extent to which an instrument measures what it is supposed to measure. "Sampling" validity ensures that the measurement includes all areas within the nature of the research study. The measurement should not take on a "narrow" view, but should look closely at the entire subject.

Construct validity is particularly important in quantitative research which is applicable in this research study. Yin (2003) cited by Wilson (2014:134), describes construct validity as "establishing correct operational measures for the concepts being studied." To achieve construct validity, empirical evidence is required to support the theoretical basis of the research (Bryman & Bell, 2014:25). The questionnaire has been pre-tested using a pilot study to accomplish construct validity. Another method to use when aiming for construct validity is triangulation (Fox & Bayat, 2007:107). Yin (2003) cited by Wilson (2014:134), comments that using data triangulation addresses the potential problems of construct validity, because the multiple sources of evidence necessary provide numerous measures of the same phenomenon.

Construct validity, which is often called measurement validity, involves more than just knowing how well a given measure works, as it also indicates why the measure works (Bryman & Bell, 2014:26). Validating a research instrument in terms of construct validity is challenging. Construct validity is concerned with the following question: what construct is the instrument actually measuring? The more abstract the concept, the more difficult it is to establish the construct validity of the measure.

External validity is the extent to which the findings from the research study can be generalised to other cases (Wilson, 2014:134; Du Plooy-Cilliers *et al.*, 2014:257). Therefore, external validity is more important to researchers who have adopted a positivist approach to their study. This is where sampling becomes important – the aim is to achieve a representative sample. These discussed validity options apply directly to the development of the measuring instrument (questionnaire) in this study.

Prior to the extraction of the factors, two tests namely, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity (Groenewald, 2013:117) were used to assess the suitability of the respondent's data for factor analysis. The results of these tests are reflected in Table 5.10 and discussed in Chapter 5, paragraph 5.7.1. Construct validity of the questionnaire was assessed by means of an exploratory factor analysis. According to Bradley (2010:322) and Weiers

(2008:114), factor analysis is a term that is used to describe a set of techniques used to reduce and compile data.

4.3.5.2 Reliability

According to Quinlan (2011:42), reliability in social science "relates to the degree to which the research can be repeated while obtaining consistent results". Blumberg *et al.* (2011:500) describe reliability as a characteristic of measurement concerned with accuracy, precision and consistency. It is the extent to which the questionnaires used in the study will produce consistent and dependable results. Carmines and Zeller (1979) cited by Wilson (2014:129) as well as Babbie (2010:150), describe reliability as the "extent to which a measurement of a phenomenon provides stable and consistent results". According to the latter, reliability must be combined with validity; in other words, for a study to be reliable, it also needs to be valid.

There are three main types of reliability namely: inter-judgemental reliability, testing and retesting reliability and parallel forms of reliability (Wilson, 2014:130). Inter-judgemental reliability is used to determine whether different individuals with required skills agree in their assessment decisions. Testing and retesting reliability refer to the measurement of the same reliability test over a particular period of time on the same participants (Babbie, 2010:152). Parallel forms of reliability use two different types of assessment tools. Each tool must contain items that are intended to measure the same variable and it must be carried out on the same group of respondents. The scores from these different tools can then be compared in order to evaluate the consistency of results across alternative versions.

For the purpose of this study the Cronbach's alpha values were used to determine the reliability of the measurement instrument (questionnaire).

4.3.5.3 Data analysis

Different descriptive and comparative analysis can be used when working with quantitative data and questionnaires.

- Descriptive statistical techniques

Descriptive statistics utilises numerical and graphical methods to look for patterns in a data set, to summarise the information revealed in a data set, and to present the information in a convenient form (Lind *et al.*, 2013:6). According to McDaniel and Gates (2002:488) the most efficient way of summarising the characteristics of a large set of data is by means of descriptive statistics. Wells *et al.* (2002:232) agree that descriptive statistics may be presented graphically by means of histograms, bar diagrams and pie charts. They are of the opinion that graphical illustrations of data make it easier to interpret and to understand large sets of data.

According to Babbie (2010:467), descriptive statistics summarises a set of sample observations and describes quantitative data in a manageable form. Descriptive statistics were used to analyse the data collected in this study. Professional statistical software packages and spreadsheet programs, such as MS Excel, have a range of built-in analysis tools that are used for exploratory data analysis (Cant *et al.*, 2003:169).

Descriptive statistical techniques include frequencies, percentages, means and standard deviations.

a) Frequencies

Frequencies (indicated by the symbol *f*) are the most basic kind of statistical description, and indicate a direct frequency count of the number of times a particular response of a variable occurs in every category (Field & Miles, 2010:559; Zikmund & Babin, 2012:336).

b) Percentage

Percentages are the quantity of respondents who answered a question in a specific way, noted as a percentage (Aaker *et al.*, 2011:438). Cooper and Schindler (2011:506) state that the use of percentage has two purposes within data analysis: (i) it simplifies the data and (ii) it allows for comparisons to be made between chunks of data.

c) Mean

Kent (2007:310) describes the mean as a measure of central propensity, which is obtained by calculating through adding all the values in a distribution and dividing it by number of observations made.

d) Standard deviation

The standard deviation determined the extent to which the data varies form the average data value of the population. This allows researchers to determine the quantity of differences that exist between respondents in the smaple (Malhotr, 2010:487).

- Comparative analysis

Comparative analysis such as cross-tabulations were used in this study. Tests of association are commonly used in cross-tabulations. Cross-tabulations were done with relationship variables (B1) and business questions (B2) to determine the association between the variables. Malhotra (2007:468) confirms that chi-square tests assist to ascertain whether a systematic association exists between two variables. In this research study, the chi-square test was used to determine whether a association exists between the different categorical variables. Since a non-probability sample was used, statistical inference conclusions cannot be drawn, effect sizes were used to determine the practical significance of any associations that might exist as suggested by Ellis & Steyn (2003). Cross-tabulations are discussed in Chapter 5, paragraph 5.11.

Other examples of comparative analysis used, include t-tests and ANOVA's in combination with the relevant effect sizes. Cohen's d-values were calculated as effect sizes to determine the practical significance of differences.

4.4 CONCLUSION

This chapter described the methodology and techniques used during the different phases of the empirical study. A key focus of this chapter was on the manner in which each step in the marketing research process is relevant to this study. The process of obtaining the relationship variables through shopping centre managers' interviews was explained and justified to present those variables in the quantitative questionnaires.

The research study itself was explained, with a description of questionnaire development, sampling procedure, data collection and data analysis. Chapter five presents the empirical findings of the study by applying the research methodologies and statistical methods described in this chapter to the data obtained.

CHAPTER 5

ANALYSIS AND INTERPRETATION OF THE RESEARCH RESULTS

5.1 INTRODUCTION

The research methodology followed in the execution of this study was discussed in the previous chapter. This chapter focuses on the execution of the primary research. Empirical findings will be presented and discussed to address the research question of the dissertation. Research results will be analysed to determine the theoretical and practical implications resulting from the findings.

The next section discusses the realisation rate of the questionnaires.

5.2 REALISATION RATE

As discussed in the previous chapter, questionnaires were hand-delivered by the researcher to the respondents at their place of business. The questionnaires were completed between the months of January 2016 and March 2016. Figure 5.1 provides the information regarding the number of questionnaires distributed per regional shopping centre as well as the number of usable questionnaires obtained. Unwilling respondents to complete the questionnaire accumulate to 21,2%.

Figure 5.1 Targeted/realised respondents per regional shopping centre

As Figure 5.1 reflects, 118 questionnaires were distributed to respondents. Due to certain questionnaires not being completed or not completed in full, the total usable questionnaires that were obtained were 93, thus culminating in a realisation rate of 78,8%.

5.3 DEMOGRAPHIC PROFILE OF RESPONDENTS

The demographic profile of the respondents for this study is shown in Table 5.1 which presents the relevant descriptive statistics of the demographical variables. Profiling of the respondents to this empirical study was necessitated for the following reason:

- Although the malls are geographically located within the Western Cape, these malls are located in different diverse socio-economic areas namely the northern suburbs of Cape Town, the more affluent southern suburbs of Cape Town and a mall located within the city centre.

Figure 5.2 is a reflection of the pro-rata representation of respondents per mall.

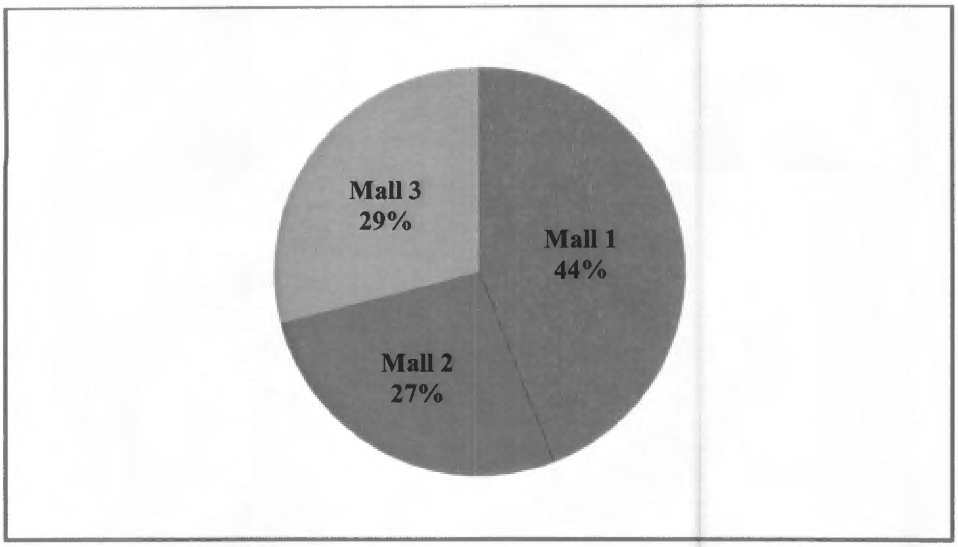

Figure 5.2

Respondents response rate

The respondents were classified according to gender, age, level of education, home language, and how far they travel from home to reach the shopping centre, which are reflected in Table 5.1. Each demographically variable analysed indirectly contributes to the objectives of the study.

Table 5.1

Demographic profile of respondents

Gender		**Language**	
Male	36,6%	Afrikaans	30,6%
Female	63,4%	English	64,7%
		Xhosa	4,7%
		Not completed	8,6%
Age		**Level of education**	
18 – 25	13,2%	Primary school	0%
26 – 30	19,2%	Secondary school	9,7%
31 – 35	17,9%	Grade 12 completed	47,3%
36 – 40	8,4%	Tech diploma/degree	31,2%
41 – 45	15,6%	University degree	11,8%
46 – 50	10,8%	**Km travelled to work**	
51 – 55	8,4%	0 – 10km	40,9%
56 – 60	1,2%	11 – 20km	23,7%
60 – 65	1,2%	21 – 30km	14%
66 – 70	3,6%	31 – 40km	6,5%
71 – 75	1,2%	More than 40km	15,1%
Not completed	9,7%		

5.4 DEMOGRAPHIC PROFILE OF BUSINESS UNITS

Section A of the questionnaire contained questions pertaining to general business data and will be discussed next. The profiling of the business units entities ultimately contributes to the question whether there is a "*satisfactory relationship*" *between the role players*".

Table 5.2

Demographic profile of business units

Role in outlet		**Years in retailing**	
Manager	63%	2 - 6	35.5%
Owner	37%	7 - 11	23.8%
		12 - 17	14%
		18 - 23	9.8%
		24 - 30	11.9%
		> 31	
Years tenant		**Regularity of visits**	
0.5 - 5	52.8%	Once a week	18.3%
6.0 - 10	22.6%	Once a month	54.8%
11.0 - 15	13%	Once every six months	11.8%
16 - 20	6.6%	Once a year	7.5%
24 – 31	5.5%	Never	7.5%
Input in marketing		**Communication methods**	
Yes	41.9%	E-mail	62.5%
No	24.7%	Workshops	4.2%
Maybe	33.4%	Newsletters	30.6%
		Social media	1.4%
		Internet website	1.4%

In the following section, Table 5.3, relationship variables which have been identified through qualitative interview content analysis and saturation are being descriptively portrayed.

5.5 QUALITATIVE RELATIONSHIP VARIABLES (B1)

Table 5.3 and Table 5.4 are being separated in terms of its mall representations. Table 5.3 is a result of the three malls combined as a unit. Table 5.4 reflects the three malls responses regarding the variables as separate units.

5.5.1 Total group (all three malls)

Respondents were asked to indicate their level of agreement on selected statements with regards to their relationship with shopping centre management. The frequency and descriptive statistics of each question is displayed in Table 5.3. The results reflect the percentage of respondents that chose each option for each of the items. The mean values within the qualitative relationship variables ranged from 2.71 to 3.13, i.e. *tending to agree*. The highest frequency of responses on the relationship variables was on the *Agree* options. The percentage of respondents choosing these options ranged between 43,0% and 68,8%.

The results are based on an Interval Scale that was coded as: 1– strongly disagree, 2 – disagree, 3 – agree and 4 – strongly agree. The statement ("c*entre management provides a clean shopping environment within which tenants can trade successfully")* reflected the highest means call (3.13).

Table 5.3 results' reflects a positive response to "*agree*" amongst the qualitative relationship statements. In general, this result accumulatively contribute to the answering of the research question.

Table 5.3

Qualitative relationship variables: Total group (all three malls) B1

	Strongly disagree	Disagree	Agree	Strongly agree	Mean	Std deviation
	1	2	3	4		
1) The tenants and management of this shopping centre trust each other.	4.3	15.1	68.8	11.8	2.88	.657
2) Centre management responds promptly within 24 hours to enquiries.	10.8	18.3	50.5	20.4	2.81	.888
3) Management shares relevant information with tenants.	3.2	15.1	53.8	28.0	3.06	.749
4) Centre management provides a clean shopping environment within which tenants can trade successfully.	4.3	10.8	52.7	32.3	3.13	.769
5) Centre management provides a shopping environment with high levels of security.	7.5	28.0	43.0	21.5	2.78	.870
6) Centre Management offers tenants market-related rentals.	6.5	24.7	60.2	8.6	2.71	.716
7) Tenants experience an open-door policy from management.	3.3	15.2	63.0	18.5	2.97	.687
8) Tenants are management's most important customers.	10.9	18.5	51.1	19.6	2.79	.884
9) The shopping centre ensures a wide enough range of tenant mix.	6.5	15.2	55.4	22.8	2.95	.803
10) Centre management listens to tenants' concerns.	4.3	25.0	50.0	20.7	2.87	.788
Average	6.16	18.59	54.85	20.40		

The statement, "*the tenants and management of this shopping centre trust each other*" produced the highest single scaled item with a result of 68.8% - *agree,* represented visually in Figure 5.3.

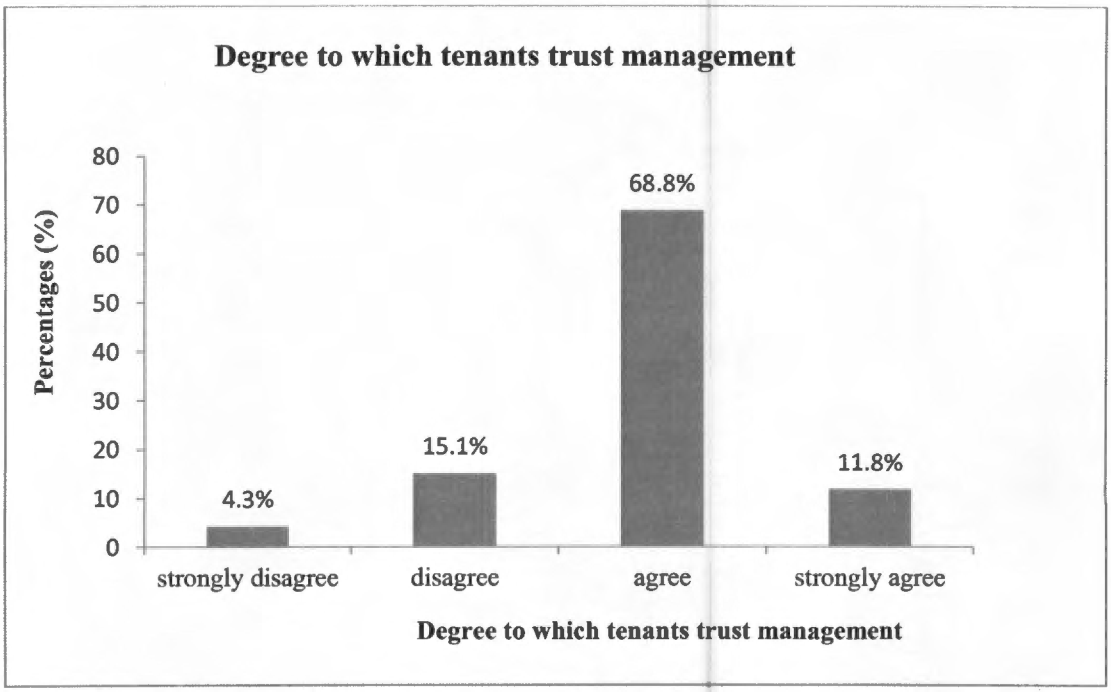

Figure 5.3

Degree to which tenants trust management

5.5.2 Per shopping centre

Although the study unit consisting of three regional shopping centres in the Western Cape, they are treated as one unit for the purpose of this study, contributing to objectives 2, 3 and 4. A simple analysis of the different malls necessitate a deeper understanding, addressing relationship issues. The objective of Table 5.4 is not to compare, but rather to explore the afore mentioned. Mall 1 had the lowest average mean in all the statements. Thus, Mall 1's tenants are the least satisfied with their relationship with their management.

Table 5.4

Qualitative relationship variables per shopping centre (B1)

	Mall 1		**Mall 2**		**Mall 3**	
	Mean	Std deviation	Mean	Std deviation	Mean	Std deviation
The tenants and management of this shopping centre trust each other.	**2.68**	**.722**	**3.04**	**.611**	**3.04**	**.518**
Centre management responds promptly to enquiries within 24 hours.	**2.49**	**.978**	**3.20**	**.645**	**2.93**	**.781**
Management shares relevant information with tenants.	**2.95**	**.865**	**3.16**	**.746**	**3.15**	**.534**
Centre management provides a clean shopping environment within which tenants can trade successfully.	**2.93**	**.848**	**3.28**	**.737**	**3.30**	**.609**
Centre management provides a shopping environment with high levels of security.	**2.54**	**.977**	**3.12**	**.666**	**2.85**	**.770**
Centre management offers tenants market-related rentals.	**2.59**	**.774**	**2.84**	**.800**	**2.78**	**.506**
Tenants experience an open-door policy from management.	**2.80**	**.715**	**3.04**	**.624**	**3.15**	**.662**
Tenants are management's most important customers.	**2.49**	**.952**	**2.96**	**.908**	**3.11**	**.577**
The shopping centre ensures a wide enough range of tenant mix.	**2.80**	**.843**	**2.80**	**.866**	**3.31**	**.549**
Centre management listens to tenants' concerns.	**2.66**	**.794**	**2.96**	**.955**	**3.11**	**.506**
Average mean	**2.69**		**3.04**		**3.07**	

In the following section 5.6, literature based, secondary variables adapted from the Commitment-trust theory (Morgan & Hunt, 1994) and the model of partnership success (Mohr & Spekman, 1994) are being tested amongst respondents.

5.6 SECONDARY RELATIONSHIP VARIABLES (B2)

Table 5.5 results reflects a positive response to "*agree*" amongst the secondary qualitative relationship statements. In general, this result also accumulatively contribute to the answering of the research question. The mean values of the secondary relationship variables ranged from 2.80 to 3.05.

5.6.1 Total group (all three malls)

Table 5.5

Secondary relationship variables: Total group (all three malls) B2

	Strongly disagree	Disagree	Agree	Strongly agree	Mean	Std deviation
Variables	1	2	3	4		
1) Tenants have confidence in centre management's reliability.	4.3	23.7	58.1	14.0	2.82	.722
2) Centre management communicates effectively with tenants.	1.1	19.4	52.7	26.9	3.05	.713
3) Tenants feel that the service received from management matches their expectations.	5.4	26.9	50.5	17.2	2.80	.788
4) Tenants and management share common goals.	4.3	26.9	44.1	24.7	2.89	.827
5) Shopping centre management supports tenants in sustaining their businesses.	7.6	22.8	47.8	21.7	2.84	.855
Average	4.54	23.94	50.62	20.90		

5.6.2 Per shopping centre

Similar to the results in Table 5.4 the objective of Table 5.6 is also not to compare, but rather to explore the respondent's view of the secondary variables. Mall 1 had the lowest average mean amongst all the statements. Thus, Mall 1's tenants are the least satisfied with the relationship with their management.

Table 5.6

Secondary relationship variables per shopping centre (B2)

	Mall 1		**Mall 2**		**Mall 3**	
	Mean	Std deviation	Mean	Std deviation	Mean	Std deviation
Tenants have confidence in Centre Management's reliability.	**2.59**	**.741**	**3.0**	**.764**	**3.0**	**.555**
Centre management communicates effectively with tenants.	**2.90**	**.735**	**3.24**	**.663**	**3.11**	**.698**
Tenants feel that the service received from management match their expectations	**2.56**	**.776**	**3.0**	**.913**	**2.96**	**.587**
Tenants and management share common goals.	**2.76**	**.830**	**3.04**	**.978**	**2.96**	**.649**
Shopping centre's Management support tenants to sustain their businesses.	**2.68**	**.944**	**2.96**	**.935**	**2.96**	**.587**
Average mean	**2.7**		**3.05**		**3.0**	

5.7 VALIDITY OF THE FACTORS

A factor analysis can be used as an exploratory technique to reduce data. According to Bradley (2010:322) and Weiers (2008:114), *factor analysis* is a term that is used to describe a set of techniques used to reduce data. For the purpose of this study, a factor analysis was conducted in order to determine whether groups of people emerged with similar opinions. There after these emerged groups were demographically profiled.

It further seeks to establish the factors underlying any relationship. The purpose of this method is to discover simple patterns, and it happens by combining the variables and compacting them to form a small set of factors. The following section reports the findings of the factor analysis.

5.7.1 Exploratory factor analysis

Table 5.6 reflects the KMO, Bartlett's test communalities for the relationship variables (B1) of the questionnaire.

The Kaiser-Meier-Olkin (KMO) measure, measures sampling adequacy. Sample adequacy, according to Field (2009:25), reflects the ability of a sample to contain the organism of interest. A result < 0.5 is perceived as not acceptable; between 0.5 and 0.7 is medium; 0.7 to 0.8 is good; 0.8 to 0.9 is very good, with >0.9 being superb. The returned result was .880. This indicates that the sample size was acceptable.

A Bartlett's test was also conducted. Field (2009:25) states that it measures whether the correlations between the items are high enough; the p-value returned must be lower than 0.05 to reflect adequate correlation. This analysis returned a p-value of < 0.05. This shows a high enough correlation between the section items.

Communalities in Table 5.6 reflect the proportion of the item's variances explained by the factors. All communalities must be above 0.3 (Field 2009:25). All the communalities for this analysis were above 0.3 and this shows that the proportion variance of the item as explained by the factors is sufficient.

Lastly, the determinant indicated a value of .004 which indicates that there was not a high correlation between the questions. If the determinant is greater than 0.00001, there is no severe multicollinearity (Field, 2000:445).

The results indicate that the items of Section B1 could be grouped together as one factor. Because no pattern matrix emerged from the factor analysis, only one factor could be extracted.

Table 5.7

KMO, Bartlett's test communalities and determinants: qualitative relationship variables (B1)

KMO and Barlett's Test		
Kaiser-Meyer-Olkin measure of sampling adequacy		**.880**
Bartlett's Test of sphericity	Approx Chi-square.	**476.300**
	df	**45**
	Sig.	**≤.0001**
Communalities		
	Initial	**Extraction**
B1.1	**.573**	**.522**
B1.2	**.602**	**.549**
B1.3	**.615**	**.571**
B1.4	**.542**	**.415**
B1.5	**.470**	**.385**
B1.6	**.462**	**.445**
B1.7	**.582**	**.549**
B1.8	**.602**	**.611**
B1.9	**.465**	**.344**
B1.10	**.625**	**.589**

Table 5.8 reflects the KMO, Bartlett's test and communalities for the secondary relationship variables (B2) of the questionnaire.

The returned result for the KOM was .854. This indicates that the sample size was acceptable. This analysis returned a p-value of < 0.05 for Bartlett's test. This shows high enough correlations between the section items.

All the communalities for this analysis were above 0.3 and this shows that the proportion variance of the item as explained by the factors is sufficient. According to Rietveld and Van Hout (1993:291), if the communality of a variable is high, it means that this particular variable is reflected well via the extracted factors. Lastly, the determinant indicated a value of .023 which indicates that there was not too much correlation between the questions. Only one factor could be distracted based on the fact that no pattern matrix emerged from the output.

Table 5.8

KMO, Bartlett's test and communalities and determinants: secondary relationship variables (B2)

KMO and Barlett's Test		
Kaiser-Meyer-Olkin measure of sampling adequacy		**.854**
Bartlett's test of sphericity	Approx Chi-square.	**332.450**
	df	**10**
	Sig.	**≤.0001**
Communalities		
	Initial	**Extraction**
B2.1	**.558**	**.542**
B2.2	**.678**	**.732**
B2.3	**.756**	**.815**
B2.4	**.702**	**.731**
B2.5	**.650**	**.684**

5.8 RELIABILITY

Cronbach's alpha is used to test the reliability of the factors resulting from the factor analysis. Field (2007:668) and Zikmund and Babin (2012:249) state that a coefficient of 0.7 or above is generally accepted as an indication of reliability. Table 5.9 indicates Cronbach's alpha for the factor extracted from the variables of Section B1, and Table 5.10 indicates Cronbach's alpha for the factor extracted from the variables of Section B2. The Cronbach's alpha coefficient was calculated for one factor containing all ten variables in Section B1 and one factor containing the five variables of Section B2.

Table 5.9 and Table 5.10 report Cronbach alphas of .906 and .919, thus above 0.7, and the factors can therefore be considered as reliable measures. These variables will consequently be treated as single factors going forward, namely primary (factor extracted from B1) and the secondary relationship variable (factor extracted from B2).

Table 5.9

Reliability statistics (B1)

Cronbach's Alpha	Mean	Std deviation
.906	**2.8950**	**.57488**

Table 5.10

Reliability statistics (B2)

Cronbach's Alpha	Mean	Std deviation
.919	**2.8796**	**.67960**

5.9 COMPARATIVE ANALYSIS

Welman *et al.* (2012:237) proclaim that inferential research comprises comparing the mean of one group with the mean of another, and for this reason *t*-tests and analysis of variance (ANOVA) were appropriate inferential techniques to consider.

Since a non-probability sample was used, statistical inference conclusions cannot be drawn, effect sizes were used to determine the practical significance of any associations that might exist as suggested by Ellis & Steyn (2003). Cross-tabulations are discussed in paragraph 5.11.

If the p-value is less than 0.05, the researcher has enough evidence to say the population means are different. The p-value indicates a statistical significant difference between the means and this is indicated by the p-value < 0.05 (Zikmund & Babin, 2012:380).

Statistical significance does not necessarily imply that the result is important in practice. Therefore Cohen's d-value has also been calculated to determine practical significance. Values > 0.2, 0.5 and .0.8 reflect small, medium and large differences respectively. Theses also indicated practically non-significant, practically visible and practically significant differences (Ellis & Steyn, 2003).

Table 5.11 reflects the results of the ANOVA, comparing the difference in opinions per regional shopping centre regarding the primary (factor extracted from B1) and the secondary relationship variable (factor extracted from B2).

Table 5.11

ANOVA results: Primary and secondary relationship variables per regional shopping centre

		N	Mean	Std Devia-tion	Effect size		ANOVA p-value	Welch p-value
					Mall 1	Mall 2		
Primary relationship variable	Mall 1	41	**2.69**	**.63**			**0.009**	**0.012**
	Mall 2	25	**3.04**	**.53**	**0.55**			
	Mall 3	27	**3.07**	**.43**	**0.60**	**0.06**		
Secondary relationship variable	Mall 1	41	**2.70**	**.68**			**0.068**	**0.074**
	Mall 2	25	**3.05**	**.78**	**0.45**			
	Mall 3	27	**3.00**	**.52**	**0.45**	**0.06**		

- P-values are reported for completeness sake, but will not be interpreted since a convenience sample instead of a random sample was used

The mean value of the primary and secondary relationship variables of Mall 1 (2.69 and 2.70) are the lowest of the three shopping centres and indicates that Mall 1's retailers are less content with their centre management, compared to the retailers in the other two malls. However, all three shopping centre means (2.69 – 3.07) indicated that, on average, respondents agreed with the statements made. The effect sizes comparing Mall 1 with the other two shopping centres ranged between 0.45 – 0.60, thus indicating medium effects or practically visible differences.

5.10 CLUSTER ANALYSIS

Weiers (2008:114) describes cluster analysis when each of many objects is represented by a set of variables and then categorised into groups where the members tend to be similar. The results of the cluster analysis does not contribute directly to any single objective of this study. However, the cluster analysis results does indirectly contribute reaching objects 2 and 3 and in order to make certain recommendations.

Cluster analysis on the cases using Ward's method and Squared Euclidean distances yielded three main clusters of both Section B1 (Figure 5.4) and Section B2 (Figure 5.5). These clusters group the respondents which opinions regarding their relationship with management tend to be similar.

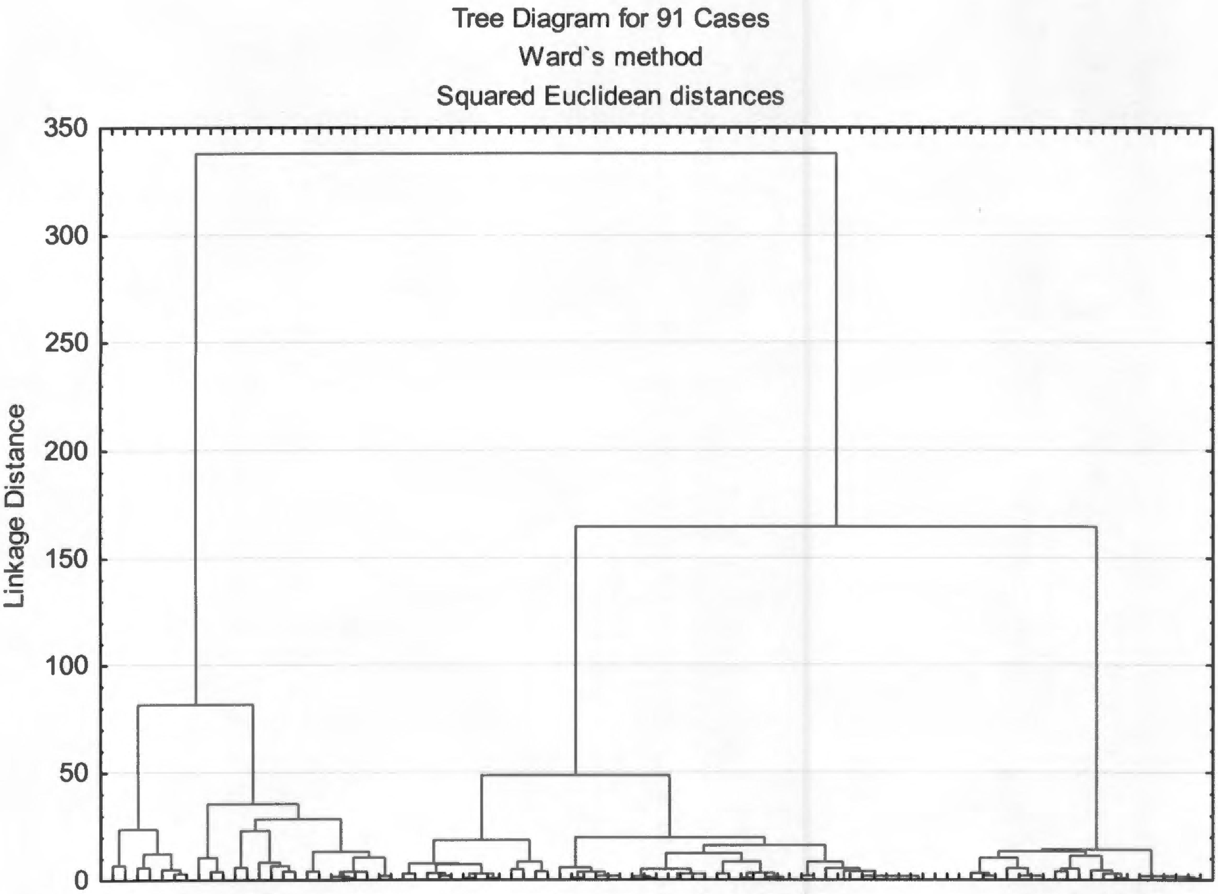

Figure 5.4

Cluster analysis based on Section B1 responses using Ward's method and Squared Euclidean distances

Cluster 1 based on Section B.1s (Qualitative relationship variables) opinion represents the retailers that are very satisfied; cluster 2 represents the tenants that are unsatisfied and, lastly, cluster 3 represents the group that are satisfied. The three clusters' means of Section B1 and the assigned names are shown in Table 5.12.

Table 5.12

Clusters: section B1: Qualitative relationship variables

Cluster	Mean ranges	Interpretation of means	Cluster Name
Cluster 1	3.32–3.95	Agree to Strongly Agree	Group that is very satisfied
Cluster 2	1.88–2.46	Tending towards Disagree	Group that is unsatisfied
Cluster 3	2.73–3.19	Tending towards Agree	Group that is satisfied.

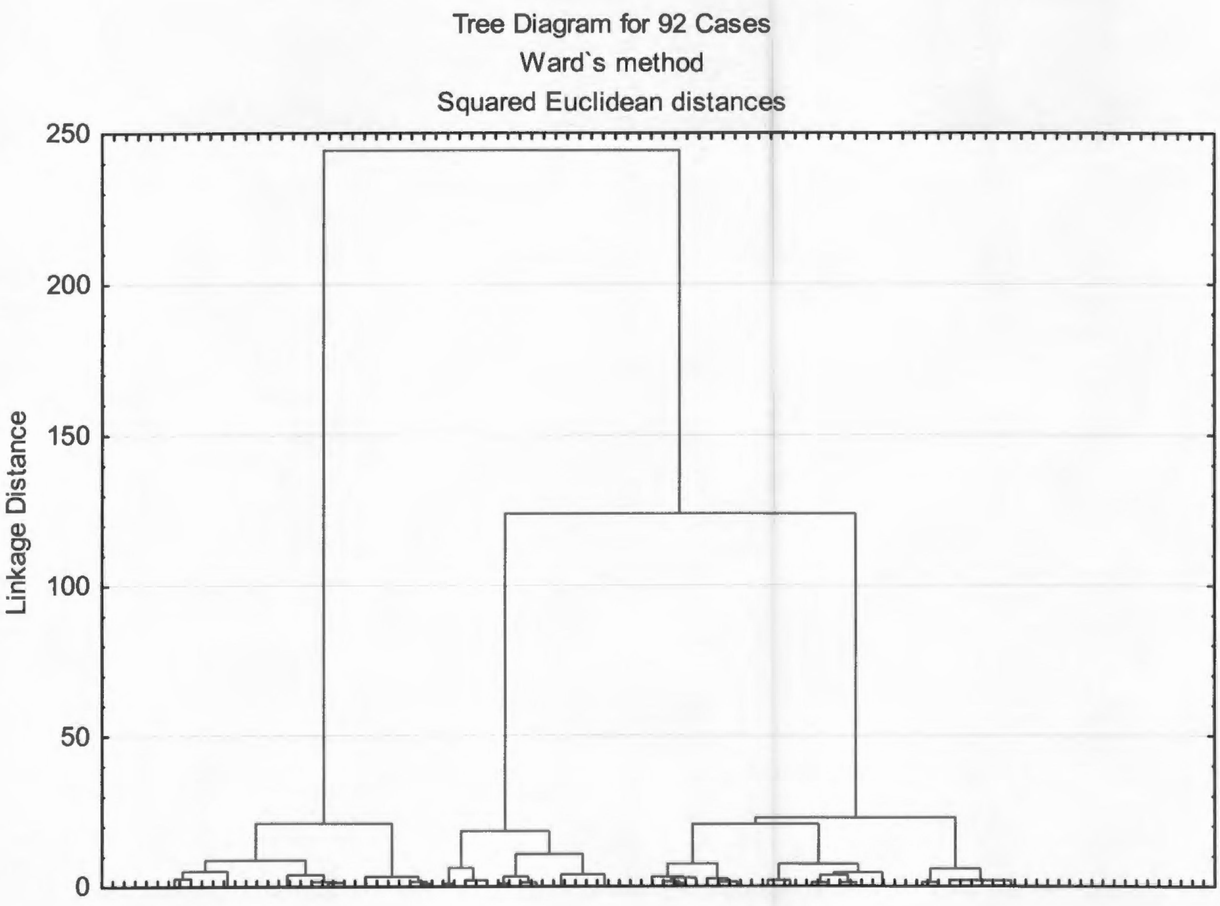

Figure 5.5

Cluster analysis based on section B2 responses using Ward's method and Squared Euclidean distances.

Cluster 1 based on Section B2's (Secondary relationship variables) opinion represents the retailers that are very satisfied; cluster 2 represents the tenants that are unsatisfied and lastly, cluster 3 represents the group that is satisfied. The three clusters' means of Section B2 and the assigned names are shown in Table 5.12.

The following table, Table 5.13, indicates the clusters' means and assigned names for section B.2's (Secondary relationship variables) clusters.

Table 5.13

Clusters: Section B2: Secondary relationship variables

Cluster	Mean ranges	Interpretation of means	Cluster name
Cluster 1	2.79–2.95	Tending towards Agree	Group that is satisfied
Cluster 2	1.77–2.23	Tending towards Disagree	Group that is unsatisfied
Cluster 3	3.36–3.86	Agree to Strongly Agree	Group that is very satisfied

Cross-tabulations are appropriate techniques to discover relationships among and between nominal (or categorical) variables, if any (Aaker *et al.*, 2004:441) and will be discussed in the following section.

5.11 CROSS-TABULATIONS

Although cross tabulations do not contribute directly to the set objectives of the study, the results do serve a secondary purpose to the objectives, as discussed in chapter 6. Results of various cross tabulation results will be briefly discussed in the following section. Detail of the graphic results are presented in Appendix C.

Phi- and Cramer's V tests are two measures of association which calculate the strength of association between two variables (Lind *et al.*, 2013:346). Phi is used to measure the strength of the association between two variables, each of which has only two categories. It applies to 2 x 2 nominal tables only. Cramer's V test is used to measure the strength of the association between one nominal variable with either another nominal, or with an ordinal variable. Both of these variables can have more than two categories.

Lind *et al.* (2013:650) states that the Chi-square test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies. Chi-square tests (p-value ≤ 0.051) check if there is a relationship between two categorical variables.

Cohen (1988) cited by Ellis and Steyn (2003:53) gives the following guidelines for the interpretation of the effect size: (a) small effect: $w = 0.1$, (b) medium effect: $w = 0.3$ and large effect: $w = 0.5$.

Cross-tabulation analysis was done between Section B1's and Section B2's clusters and all the nominal or categorical variables containing biographical information. As indicated in paragraph 1 of this section – results do contribute secondarily in reaching the study objectives (Chapter 6.3). In the following paragraphs (5.11.1 and 5.11.2), short and concise descriptions of these results were given (relevant tables from 5.14 to 5.31 are reflected in Appendix C).

5.11.1 Section B1 Clusters

a) Centre

Analysis was done between Section B1's clusters and the three regional shopping centres (Table 5.14). Results reflect a 66, 7% representation by Mall 1 respondents – unsatisfied.

Cramer's V value of .228 (p-value = 0.05) indicates that the relationship between the variables is tending towards a medium effect.

b) Role in retail outlet

The highest percentage of respondents within all the clusters are represented by managers. Thus, the small effect size result, based on phi = 0.11 (p-value = 0.575), a practical non-visible association between the cluster groups and the respondents' role in the outlet, exist.

c) Regularity of visits

This analysis was constructed between the clusters of Section B1 and how regularly the retailers would like Centre Management to visit their store.

The "once a month" visit option reflected the following results: unsatisfied respondents (62, 5%), very satisfied respondents (52, 1%) and satisfied respondents (52, 1%). As much as (27,1%) reflected by the satisfied group' respondents, prefer weekly visits. This association is confirmed by Cramer's V of 0.31 which indicates a medium association. The p-value is 0.026.

d) Input in marketing

Table 5.17 reflect a higher percentage unsatisfied respondents (66,7%) than very satisfied (36,8%) and satisfied (33,3%) prefer to have an input in the marketing of the shopping centre. Cramer's V = 0.21 indicates a small to medium association. The p-value is 0.098.

e) Most preferred form of communication

Table 5.18 confirms the most preferred form of communication for respondents - from all three clusters, with centre management ~~is~~ as emails. The second most preferred form of communication is a newsletter, again for all three groups. This association is confirmed by Cramer's V of 0.31 which indicates a medium association. The p-value is 0.101.

f) Gender

Seventy five percent (75%) of unsatisfied respondents were represented by female respondents. Almost fifty eight percent (57, 9%) respondents were male. Thus there is a small to medium association between the cluster groups and the respondents' gender. This was also confirmed by the phi value (0.24) and the p-value of 0.079.

g) Level of education

There is a small effect or a practical non-significant association between the cluster groups and the respondents' educational level. This was confirmed by Cramer's V (0.12) and a p-value of 0.84.

h) Language

There is a small effect or a practical non-significant association between the cluster groups and the respondents' language. This was confirmed by the small phi value (0.14) and the p-value of 0.50.

i) Distance travel

Results reflect a small effect or a practical non-significant association between the cluster groups and the distance the respondents travel to work. This was confirmed by Cramer's V (0.17) and a p-value of 0.73.

5.11.2 Section B2 Clusters

(a) Centre

Mall 1 (Table 5.23) represent 54, 5% of unsatisfied respondents and 45, 2% satisfied respondents. The majority of very satisfied group resides in Mall 2.

Cramer's V value of 0.21 (p-value = 0.09) indicates that the relationship between the variables is small to medium.

b) Role in outlet

The highest percentage of respondents within all the clusters are managers. Thus, as indicated by the small effect size based on phi = 0.11 (p-value = 0.59), there is a practically non-significant association between the cluster groups and the respondents' role in the outlet.

(c) Regularity of visits

Within the category "*monthly visits*", Table 5.25 reflects a 59, 1% unsatisfied response and 53, 6% very satisfied response. Just over twenty one percent (21,4%) of the very satisfied respondents prefer weekly visits. This association is confirmed by Cramer's V of 0.14 which indicates a small association. The p-value is 0.89.

(d) Input in marketing

Table 5.26 indicates that 72, 7% of unsatisfied respondents prefer to have an input in the marketing of the shopping centre. Cramer's V = 0.25 indicates a small to medium association. The p-value is 0.12.

e) Most preferred form of communication

Similar to the results of the B1 variable results, Table 5.27 confirms e mails communication as the preferred form of communication with centre management. The second most preferred form of communication is newsletters, for all three groups. This association is confirmed by Cramer's V of 0.25 which indicates a medium association. The p-value is 0.35.

f) Gender

Female respondents represent almost seventy three percent (72, 7%) of unsatisfied respondents. There is a small association between the cluster groups and the respondents' gender. This was also indicated by the phi value (0.12) and the p-value of 0.52.

g) Level of education

There is a small effect or a practical non-significant association between the cluster groups and the respondents, educational level. This was confirmed by Cramer,s V (0.17) and a p-value of 0.50.

h) Distance travel

There is a small effect or practical non-significant association between the cluster groups and the distance the respondents travel to work. This was confirmed by Cramer's V (0.13) and a P-value of 0.92.

i) Language

There is a small effect or a practical non-significant association between the cluster groups and the respondents' language. This was confirmed by the small phi value (0.12) and the p-value of 0.88.

5.12 SUMMARY OF MAIN FINDINGS

Section A: Main findings

A1	The majority of respondents (63%) are the managers of the outlets.
A2	Almost 60% (59.3%) of the tenants had been in the retail industry for less than 12 years.
A3	More than 50% (52.8%) of respondents had been a tenant for at least 5 years of that specific shopping centre.
A4	More than half of the tenants (54,8%) prefer a visit from centre management once a month.
A5	Almost 42 % (41,9%) of respondents would like to be involved in the marketing of the centre.
A6	A slight majority of the tenants (62,5%) prefer email to communicate with the centre management.

Section B: Question 1

B1.1	Most of the tenants (68,8%) agree that management and tenants trust each other.
B1.2	Almost half (50,5%) of tenants agree that centre management responds promptly within 24 hour to enquiries.
B1.3	More than half (53,8%) of the tenants agree that management share relevant information with tenants.
B1.4	More than half (52,7%) of tenants agree that centre management provides a clean shopping environment.
B1.5	Forty three % of tenants are concerned with the overall security of the centre.
B1.6	The managers of the outlets do not negotiate the rentals.
B1.7	More than half (63%) of tenants experience an open door policy from management.
B1.8	Fifty one % of tenants agree that they are management's most important customers.
B1.9	The tenants mostly agree (55,4%) that the shopping centre ensures a wide enough range of a tenant mix.
B1.10	Almost 25% of tenants do not agree that Centre management listens to their concerns.

Section B: Question 2

B2.1	More than half (58,1%) of the tenants have confidence in centre management's reliability.
B2.2	Tenants (52,7%) agree that centre management communicates effectively with them.
B2.3	Almost 30% of tenants do not agree that the service received from management match their expectations.
B2.4	Almost 31 percent (31,2%) of tenants feel they do not share common goals with management.
B2.5	Less than half (30,4%) of tenants do not experience the support from Shopping Centre's Management to sustain their businesses.

Section C: Main findings

C1	More female respondents (63%) took part in the survey in comparison with their male counterparts.
C2	More than half (71,4%) of the total respondents ages range between 26 and 50 years.
C3	Forty three % of respondents have a qualification higher than grade 12.
C4	More than half (59,1%) of the total respondents travel up to 20km to their place of work, per day.
C5	The home language of respondents are mostly English (64,7%) and Afrikaans (30,6%).

5.13 CONCLUSION

This chapter provides the main research findings pertaining to the study. All relevant statistical methods were applied to obtain the required results. These included exploratory factor analysis, cluster analysis, frequency analysis, reliability testing, and one-way ANOVAS. The next chapter concludes the study by presenting the conclusions and recommendations that can be made in the light of the study's findings.

CHAPTER 6

RECOMMENDATIONS AND CONCLUSIONS

6.1 INTRODUCTION

This chapter presents an overview of the conclusions, recommendations and limitations of the study. For the purpose of completeness, the research problem, research question and investigation questions will be re-stated. The aim and objectives of the research study will be mapped to the research content, while specific recommendations will be made to the management of the regional shopping centres to improve their relationship with their independent retail tenants.

6.2 THE RESEARCH PROBLEM RE-VISITED

The research problem formulated in paragraph 1.3.1 in Chapter 1 reads as follows:
There is no trust, commitment and shared values between independent retailers of regional shopping centres and the management teams of these centres.

6.3 THE OBJECTIVES OF THE STUDY

The research aim and objectives of this research study were mentioned in chapter 1, section 1.4.1 and 1.4.2. For convenience, the primary objective is stated below:

- Identifying the key principles that would contribute to maintaining satisfactory relationships between tenants and management of regional shopping centres to ensure sustainability for both role players.

The secondary objectives of this study were to:

- Undertaking a literature analysis of the meaning of a relationship in a business to customer (B2C) environment and the principles that constitute to a successful relationship.

- Determining how tenants experience their involvement in the running of the shopping centre.

- Determining tenants' expectations regarding their relationship with management.

- Determining which factors support the retention of centre management's customers.

6.4 CONCLUSIONS DRAWN FROM THIS STUDY

The following section summarises the conclusions which can be drawn from this study with emphasis on conclusions drawn from the literature and conclusions drawn from the results.

6.4.1 Conclusions from the literature

From the literature review the following conclusions can be drawn to address the first secondary objective:

- Customer relationships are the most important relationships of any business (Ford *et al.*, 2003:63) and indeed complex. In this study, tenants and shopping centre management teams have existing ideas of what to expect from these mentioned relationships.

- The success of a shopping centre is measured on the successes of their tenants. Ibrahim and Galven (cited by Harmse, 2012:128) confirmed this notion and also support the joint business relationship with tenants and shopping centre owners as primary role players. Howard (2011:267) suggested that a partnership approach will be applicable in the B2C context.

- With reference to the Commitment-Trust Theory of Morgan & Hunt (1994:23), as discussed in chapter 3.3.1, parties identify commitment as the key to achieving valuable outcomes.

- Morgan and Hunt (1994:23) further conceptualize trust as existing when one party has confidence in an exchange partner's reliability and integrity.

- There are 5 important antecedents present in the Commitment-Trust theory namely, relationship termination costs, relationship benefits, shared values, communication and opportunistic behaviour. There are also 5 qualitative outcomes of the Commitment-Trust theory which include, acquiescence, propensity to leave, cooperation, functional conflict and uncertainty.

- In the Model of Partnership Success, Mohr and Spekman (1994:136) used two indicators of partnership success; an objective indicator (sales volume flowing between dyadic partners) and an affective measure (satisfaction of one party with the other). Attributes of partnership success include commitment, co-operation, interdependence and trust, communication and conflict resolution techniques were identified as essential components of the partnership success model. Communication is the lifeblood of RM and the corporate world (Simon et al., 2009:564. Communication supports the development of relationships, fosters trust, and provides information needed to undertake collaborative activities.

6.4.2 Conclusions from the findings

From the statistical analysis conducted, the following conclusions can be drawn to address the primary and secondary objectives of this study:

- In this research study, 68,8% of respondents indicated that they believe trust to be the most important factor contributing to a successful business relationship. More than half of the respondents also confirmed that they have confidence in the management of the shopping centre (primary objective).
- Respondents (54.8%) also indicated that they would prefer a visit from centre management once a month (primary objective).
- Communication was also identified as a key factor contributing to a successful B2C relationship. Independent tenants (62.5%) prefer an email from management and agreed that centre management communicates effectively with them (primary objective).

- Almost 50% (41.9%) of tenants would like to be involved in the marketing of the shopping centre. These independent tenants do interact with customers daily and would be able to share very relevant information with management which supports their need to work together with management to reach goals (secondary objective 2).
- The majority of respondents (63%) indicated that they manage these outlets. This implies that they are actively involved in the running of the business and should interact with management regularly. This might further imply that independent tenants would like to co-operate with centre management to achieve mutual benefits, because less than half of the respondents indicated that they do not share common goals and values with management (primary objective; secondary objective 2).
- Centre management does not respond within 24 hours to their concerns, despite having made promises to do so (secondary objective 3).
- More than half of these tenants agreed that management share relevant information with them (secondary objective 3).
- More than half of the independent tenants experience an open door policy from management (secondary objective 3).
- 25% of tenants do not agree that centre management listens to their concerns (secondary objective 3).
- 52.8% of independent tenants were not more than 5 years a tenant of the specific shopping centres. This could be an indication that these tenants do not perceive market-related rentals. This could also implies that there might be a few reasons (such as their relationship with management; dis-satisfaction) why so many independent tenants do not renew their contracts with the specific shopping centre. Only 5,5% of respondents were tenants for more than 24 years (secondary objective 4).
- More than half of the tenants are very concerned with the overall security of the shopping centres (secondary objectives 3 and 4).
- Furthermore, more than half of the tenants agreed that centre management provides a clean shopping environment (secondary objective 3 and 4).
- Tenants also agreed that they are management's most important customers (secondary objective 4).

- Tenants mostly agree that shopping centres' management ensures a wide enough range of tenant mix (secondary objective 4).

6.5 RECOMMENDATIONS

The following recommendations, if implemented, can assist shopping centre management teams to build long-term relationships with their tenants.

Recommendation 1:

Relationships are essential to build and maintain a base of committed tenants who are profitable for the business. Management needs to build **personal relationships** with the individual tenants by sharing experiences and ideas in order to learn more about each other. This will enhance trust and mutual respect between the two parties. A relationship develops over time and management needs to actively schedule or make the time to build relationships with their tenants.

Recommendation 2:

Management and tenants should set **mutually-beneficial goals**. Tenants must be invited to brainstorming sessions where there can share their experiences and ideas. Some of the respondents (41.9%) indicated that they would like to be part of the marketing of the centre. Management should involve and invite them to be part of the marketing of the centre. They need to work closely together to build success.

Recommendation 3:

It is vital for the management of the shopping centre to determine each **individual customer's needs**, in order to offer tenants support in a honest, kind and helpful way. Management should "adjust" a tenant's lease agreement temporarily if such a need appears.

Recommendation 4:

Centre management must be **visible**. They must at least pay all tenants a "professional" visit once a month. Management need to show their interest in the performance of their tenants.

Recommendation 5:

Centre management need to offer **"professional" workshops** on different matters to cater for tenants' different needs. Constant training and education needs to take place to keep up with all the relevant happenings in the retail industry.

Recommendation 6:

Most of the tenants experience some form of difficulty now and then. The management of the shopping centre needs to show **empathy** to enable these tenants to see the situation from another's perspective. One does get the impression that once the the lease agreement has been signed, management is not prepared to make room for any negotiation thereafter which could assist a tenant with his or her problems.

Recommendation 7:

Management must view tenants' contributions and rent received as an important component of the mall's success, because without tenants there will be no shopping centres. Tenants need **to feel wanted and treated with respect**. Management needs to address their concerns within 24 hours and listens carefully to their concerns.

Recommendation 8:

Management has to select their tenants with great care. Every shopping centre needs to offer a **different image** and message to customers. An increased number of smaller shops (independent retailers) will offer a bigger variety to customers.

6.6 LIMITATIONS OF THE STUDY

The following aspects constituted theoretical limitations within the study:

- Quality secondary sources of a scholarly nature on the South African retail industry are limited, which meant the researcher had to base discussions on available literature from service industries.
- Existing research on CRM and RM and the South African retail industry is also limited, which implied that the researcher had to rely on other service industry sources (mainly found in the banking industry) and apply this to the South African retail industry.
- A limited amount of literature on customer retention, loyalty and trust in a South African retail industry context is available.
- The empirical study was based on a non-probability purposive and convenience sampling method, thus no generalisations could be made beyond those who participated in the research study. The geographical boundaries of this study was also limited to three regional shopping centres in the Western Cape, South Africa and finally a sample size of 93 may not be large enough to draw any accurate and conclusive results.

The following aspects comprised empirical limitations within the study:

- It was impossible to include all provinces and tenants of regional shopping centres in South Africa, due to the size of the industry.
- It was a costly and time-consuming exercise to obtain properly completed questionnaires.
- Since an Interval Scale was used in the questionnaire, only a limited amount of statistical analysis could be performed.
- Some respondents completed the questionnaire in a hurry and did not view the completion thereof as important, but as something tedious and frustrating that had to be done, despite the motivation of the researcher.

6.7 AREAS FOR FURTHER RESEARCH

- The study presents an opportunity for a similar study to be replicated in the other provinces of South Africa, as well as in different shopping centre sizes.

- A study can be conducted to determine which factors do anchor stores believe build and maintain trust in a shopping centre.

6.8 CONCLUSION

This chapter provides a conclusion to the study by presenting the specific major findings and recommendations in terms of the results that were obtained. This dissertation aimed to achieve the primary objective of presenting the key principles required for maintaining a satisfactory relationship between the tenants and the management of the shopping centre to ensure sustainability for both the role-players. To support the primary objectives, several secondary objectives were attained, such as determining the tenants' perceived relationship with management, to determining tenant's expectations regarding their relationship with management and determining which factors would retain customers for mall management. The limitations of the study have been outlined and recommendations for future research have been made.

On the grounds of the empirical results extracted, the final conclusion can be made that this research study complied with the aims and objectives set out in this dissertation.

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APPENDIX A

QUESTIONNAIRE

SECTION A: Business data
Please complete the questions by ticking "X" in the appropriate box.

1. Please indicate your role in this outlet:

1	Owner	
2	Manager	
3	Assistant	

If other, specify:_________________________

2. How many years have you been in the retail industry?

____________________years

3. For how long have you been a tenant in this shopping centre?

______________ years

4. How regularly would you like Centre Management to visit your store?

1	Once a week	
2	Once a month	
3	Once every six months	
4	Once a year	
5	Not at all	

5. Would you like to have any input in the marketing of this shopping centre?

1	Yes	
2	No	
3	Maybe	

If yes, explain:

____
____
____
____
____

6. Which is your preferred form of communication to keep you enlightened about the activities of the shopping centre? **(Please indicate the one most preferred communication tool).**

1	Email from management	
2	Workshops	
3	Newsletter	
4	Social media	
5	Internet website	
6	SMS	

SECTION B: Relationship attributes and variables

Question 1:

Please indicate your point of view on each of the following statements by marking (X) in the appropriate column.

	Strongly disagree	**Disagree**	**Agree**	**Strongly agree**
	1	**2**	**3**	**4**
1. The tenants and management of this shopping centre trust each other.				
2. Centre management responds to enquiries promptly within 24 hours.				
3. Management shares relevant information with tenants.				
4. Centre Management provides a clean shopping environment within which tenants can trade successfully.				
5. Centre management provides a shopping environment with high levels of security.				
6. Centre Management offers tenants market-related rentals.				
7. Tenants experience an open-door policy from management.				
8. Tenants are management's most important customers.				
9. The Shopping Centre ensures a wide enough range in its tenant mix.				
10. Centre management listens to tenants' concerns.				

Question 2:

Please rate the following Shopping Centre Management relationship variables by marking (X) in the appropriate column.

	Strongly disagree	Disagree	Agree	Strongly agree
Variables	**1**	**2**	**3**	**4**
1. Tenants have confidence in Centre Management's reliability.				
2. Centre management communicates effectively with tenants.				
3. Tenants feel that the service received from management matches their expectations.				
4. Tenants and management share common goals.				
5. Shopping Centre Management assists tenants with sustaining their businesses.				

SECTION C: Demographics

Please provide the required information by placing an (X) in the appropriate space provided.

1. Your gender:

1	Male	
2	Female	

2. Current age:____________ years

3. Level of education:

1	Primary school		
2	Secondary school		
3	Grade 12 completed		
4	Tech diploma/degree		
5	University degree		

If other, specify: ______________________________

4. How far do you travel from home to reach the shopping centre?

1	0 – 10 km	
2	11 – 20 km	
3	21 – 30 km	
4	31 – 40 km	
5	More than 40 km	

5. Language:

1	Afrikaans	
2	English	
3	Xhosa	

If other, specify: ______________________________

APPPENDIX B

SUMMARY OF EMERGED ITEMS FROM CONTENT ANALYSIS WITH MANAGEMENT AND INDEPENDENT TENANTS

QUESTION 1:

Could you please tell me about your interest/career in the management of shopping centres?

- Completed National Diploma in Public Relations; PR and HR Assistant to the Human Resources Manager
- Constantia Village Shopping Centre 8 years; 8 years at Long Beach Mall and currently more than 5 years at Blue Route Mall.
- Certificate in Shopping Centre Management 1995, Certificate in Shopping Centre Marketing 2001 and the Advanced Certificate in Shopping Centre Leadership 2006 /2007.
- Studied in food and safety (TV)
- Legal, contracts, property management, Old Mutual

QUESTION 2:

Which attributes do you regard as the most important for building a loyal and successful relationship between management and tenants?

- Open communication channels, accessibility and availability on site.
- Responding promptly to enquiries (24 hours) and requests for information.
- Listening and find solutions to problems or identifying potential issues and finding solutions with the tenant.
- Factual information and analysis that can assist the tenant in understanding their contribution to the mall as well as assisting the tenant to assess their performance in their trading category.
- Trust.
- Do not promise the impossible and create expectations that are not realised.
- Respect.

QUESTION 3:

When you meet with your tenants, what are their main concerns?

- Security/crime
- Marketing. What is the mall doing to attract customers to the mall?
- Opportunities for increasing turnover
- Hygiene
- Parking

QUESTION 4:

Can you give me an example of how you would address a tenant's concern or need?

- Provide court promotional space at little or no charge from time to time.
- Listen and respond with advice.
- Would consider the costs of any tenant need or concern carefully.

QUESTION 5:

How do you involve the tenants in the marketing/management of this shopping centre?

- There are regular tenant meetings (not in MPlain!) – they want to trade
- Cross-marketing opportunities between several tenants are explored and many successful campaigns run.
- A monthly tenant newsletter goes out to all tenants.
- The Marketing Strategy plan is communicated to all tenants.
- Research results are shared with tenants giving them insight into the demographics and shopping patterns of our customers.
- Tenants are made aware regularly of the free opportunities to advertise on our website, Facebook page and of the mall media advertising opportunities at preferential tenant rates.
- We provide them with a medium through which to advertise.

QUESTION 6:

As business partners in this retail setting, the different parties need to work towards the accomplishment of common goals. Could you specify these common goals?

- Ensuring a clean, safe and pleasant shopping environment in which tenants can trade successfully.
- Ensuring a good tenant mix by having a wide range of tenants.
- Maintaining an optimally managed mall that provides the best possible return to the landlord.
- Tenants to then provide service excellence.

QUESTION 7:

How do you communicate these "shared values" of the different parties to your tenants?

- Management offers training and workshops to tenants.
- Management gives tenants more information than needed.
- Tenant meetings are held.

QUESTION 8:

In which way does centre management contribute to the sustainability of their tenants?

- By staying ahead of the curve. By constantly changing... "next is now" is the philosophy.
- By ensuring a clean, safe and pleasant shopping environment in which our tenants can trade successfully.
- Ensuring that a marketing strategy is in place and all marketing executed with the agreed objectives in mind.
- Ensuring that tenant rentals are market related and achievable.
- Assisting at times with possible concessions on rentals to assist tenants, or downscaling or upscaling in size as per the performance of the tenant.
- Providing research feedback to enable the tenant to amend or enhance their offering in line with the requirements of the customers
- Inviting tenants for tea/coffee, cookies and congratulating them on excellent sales!

APPENDIX C

CROSS-TABULATIONS

Table 5.14

Cross-tabulation: Section B1's clusters and centre

	Mall 1	Mall 2	Mall 3	Total
Very satisfied	**6** **31,6%**	**7** **36,8%**	**6** **31,6%**	**19** **100,0%**
Unsatisfied	**16** **66,7%**	**6** **25,0%**	**2** **8,3%**	**24** **100,0%**
Satisfied	**19** **39,6%**	**11** **22,9%**	**18** **37,5%**	**48** **100,0%**
Total	**41** **45,1%**	**24** **26,4%**	**26** **28,6%**	**91** **100,0%**

Table 5.15

Cross-tabulation: Section B.1's clusters – role in outlet

	Role in outlet		
	Owner	Manager	Total
Very satisfied	**8** **42,1%**	**11** **57,9%**	**19** **100,0%**
Unsatisfied	**10** **41,7%**	**14** **58,3%**	**24** **100,0%**
Satisfied	**15** **31,3%**	**33** **68,8%**	**48** **100,0%**
Total	**33** **36,3%**	**58** **63,7%**	**91** **100,0%**

Table 5.16

Cross-tabulation: Section B1's clusters – an indication of how regularly tenants would like centre management to visit their store

	Once a week	Once a month	Once every six months	Once a year	Not at all	Total
Very satisfied	**3** **15,8%**	**10** **52,6%**	**4** **21,1%**	**1** **5,3%**	**1** **5,3%**	**19** **100,0%**
Unsatisfied	**0** **0,0%**	**15** **62,5%**	**3** **12,5%**	**1** **4,2%**	**5** **20,8 %**	**24** **100,0%**
Satisfied	**13** **27,1%**	**25** **52,1%**	**4** **8,3%**	**5** **10,4%**	**1** **2,1%**	**48** **100,0%**
Total	**16** **17,6%**	**50** **54,9%**	**11** **12,1%**	**7** **7,7%**	**7** **7,7%**	**91** **100,0%**

Table 5.17

Cross-tabulation: Section B1's clusters – measuring tenants' input in the marketing of the centre

	Yes	No	Maybe	Total
Very satisfied	**7** **36,8%**	**5** **26,3%**	**7** **36,8%**	**19** **100,0%**
Unsatisfied	**16** **66,7%**	**3** **12,5%**	**5** **20,8%**	**24** **100,0%**
Satisfied	**16** **33,3%**	**15** **31,3%**	**17** **35,4%**	**48** **100,0%**
Total	**39** **42,9%**	**23** **25,3%**	**29** **31,9%**	**91** **100,0%**

Table 5.18

Cross-tabulation: Section B1's clusters – tenants' most preferred form of communication

	Email	Workshops	Newsletter	Social media	Internet	Total
Very satisfied	**12** **70,6%**	**1** **5,9%**	**2** **11,8%**	**1** **5,9%**	**1** **5,9%**	**17** **100,0%**
Unsatisfied	**9** **52,9%**	**2** **11,8%**	**6** **35,3%**	**0** **0,0%**	**0** **0,0%**	**17** **100,0%**
Satisfied	**22** **61,1%**	**0** **0,0%**	**14** **38,9%**	**0** **0,0%**	**0** **0,0%**	**36** **100,0%**
Total	**43** **61,4%**	**3** **4,3%**	**22** **31,4%**	**1** **1,4%**	**1** **1,4%**	**70** **100,0%**

Table 5.19

Cross-tabulation: Section B1's clusters – gender

	Male	Female	Total
Very satisfied	**11** **57,9%**	**8** **42,1%**	**19** **100,0%**
Unsatisfied	**6** **25,0%**	**18** **75,0%**	**24** **100,0%**
Satisfied	**17** **35,4%**	**31** **64,6%**	**48** **100,0%**
Total	**34** **37,4%**	**57** **62,6%**	**91** **100,0%**

Table 5.20

Cross-tabulation: Section B1's clusters – education

	Secondary school	Grade 12 completed	Tech diploma	University degree	Total
Very satisfied	**1** **5,3%**	**11** **57,9%**	**4** **21,1%**	**3** **15,8%**	**19** **100,0%**
Unsatisfied	**2** **8,3%**	**11** **45,8%**	**9** **37,5%**	**2** **8,3%**	**24** **100,0%**
Satisfied	**6** **12,5%**	**22** **45,8%**	**14** **29,2%**	**6** **12,5%**	**48** **12,5%**
Total	**9** **9,9%**	**44** **48,4%**	**27** **29,7%**	**11** **12,1%**	**91** **100,0%**

Table 5.21

Cross-tabulation: Section B1's clusters – language

	Afrikaans	English	Xhosa	Total
Very satisfied	**5** **26,3%**	**12** **63,2%**	**2** **10,5%**	**19** **100,0%**
Unsatisfied	**9** **40,9%**	**12** **54,5%**	**1** **4,5%**	**22** **100,0%**
Satisfied	**12** **27,9%**	**30** **69,8%**	**1** **2,3%**	**43** **100,0%**
Total	**26** **31,0%**	**54** **64,3%**	**4** **4,8%**	**84** **100%**

Table 5.22

Cross-tabulation: Section B1's clusters – distance travelled

	0–10km	11–20km	21–30km	31–40km	40km+	Total
Very satisfied	9 47,4%	3 15,8%	4 21,1%	1 5,3%	2 10,5%	19 100,0%
Unsatisfied	13 54,2%	5 20,8%	2 8,3%	1 4,2%	3 12,5%	24 100,0%
Satisfied	16 33,3%	14 29,2%	6 12,5%	4 8,3%	8 16,7%	48 100,0%
Total	38 41,8%	22 24,2%	12 13,2%	6 6,6%	13 14,3%	91 100,0%

Table 5.23

Cross-tabulation: Section B2's clusters – centre

	Mall 1	Mall 2	Mall 3	Total
Satisfied	19 45,2%	7 16,7%	16 38,1%	42 100,0%
Unsatisfied	12 54,5%	6 27,3%	4 18,2%	22 100,0%
Very satisfied	9 32,1%	12 42,9%	7 25,0%	28 100,0%
Total	40 43,5%	25 27,2%	27 29,3%	92 100,0%

Table 5.24

Cross-tabulation: Section B2's clusters – role in outlet

	Role in outlet		
	Owner	Manager	Total
Satisfied	**14** **33,3%**	**28** **66,7%**	**42** **100,0%**
Unsatisfied	**10** **45,5%**	**12** **54,5%**	**22** **100,0%**
Very satisfied	**9** **32,1%**	**19** **67,9%**	**28** **100,0%**
Total	**33** **35,9%**	**59** **64,1%**	**92** **100,0%**

Table 5.25

Cross-tabulation: Section B2's Clusters – how regularly tenants would like centre management to visit their store?

	Once a week	Once a month	Once every six months	Once a year	Not at all	Total
Satisfied	**9** **21,4%**	**23** **54,8%**	**4** **9,5%**	**3** **7,1%**	**3** **7,1%**	**42** **100,0%**
Unsatisfied	**2** **9,1%**	**13** **59,1%**	**3** **13,6%**	**1** **4,5%**	**3** **13,6%**	**22** **100,0%**
Very satisfied	**6** **21,4%**	**15** **53,6%**	**4** **14,3%**	**2** **7,1%**	**1** **3,6%**	**28** **100,0%**
Total	**17** **18,5%**	**51** **55,4%**	**11** **12,0%**	**6** **6,5%**	**7** **7,6%**	**92** **100,0%**

Table 5.26

Cross-tabulation: Section B2's clusters – degree to which tenants would like input in the marketing of the centre

	Yes	No	Maybe	Total
Satisfied	**14** **33,3%**	**10** **23,8%**	**18** **42,9%**	**42** **100,0%**
Unsatisfied	**16** **72,7%**	**3** **13,6%**	**3** **13,6%**	**22** **100,0%**
Very satisfied	**9** **32,1%**	**9** **32,1%**	**10** **35,7%**	**28** **100,0%**
Total	**39** **42,4%**	**22** **23,9%**	**31** **33,7%**	**92** **100,0%**

Table 5.27

Cross-tabulation: Section B2's clusters – tenants' most preferred form of communication

	Email	Workshops	Newsletter	Social media	Internet	Total
Satisfied	**22** **66,7%**	**0** **0,0%**	**11** **33,3%**	**0** **0,0%**	**0** **0,0%**	**33** **100,0%**
Unsatisfied	**10** **58,8%**	**2** **11,8%**	**5** **29,4%**	**0** **0,0%**	**0** **0,0%**	**17** **100,0%**
Very satisfied	**13** **61,9%**	**1** **4,8%**	**5** **23,8%**	**1** **4,8%**	**1** **4,8%**	**21** **100,0%**
Total	**45** **63,4%**	**3** **4,2%**	**21** **29,6%**	**1** **1,4%**	**1** **1,4%**	**71** **100,0%**

Table 5.28

Cross-tabulation: Section B2's clusters – gender

	Male	Female	Total
Satisfied	**15** **35,7%**	**27** **64,3%**	**42** **100,0%**
Unsatisfied	**6** **27,3%**	**16** **72,7%**	**22** **100,0%**
Very satisfied	**12** **42,9%**	**16** **57,1%**	**28** **100,0%**
Total	**33** **35,9%**	**59** **64,1%**	**92** **100,0%**

Table 5.29

Cross-tabulation: Section B2's clusters – education

	Secondary school	Grade 12 completed	Tech diploma	University degree	Total
Satisfied	**2** **4,8%**	**18** **42,9%**	**17** **40,5%**	**5** **11,9%**	**42** **100,0%**
Unsatisfied	**2** **9,1%**	**10** **45,5%**	**7** **31,8%**	**3** **13,6%**	**22** **100,0%**
Very satisfied	**4** **14,3%**	**16** **57,1%**	**5** **17,9%**	**3** **10,7%**	**28** **100,0%**
Total	**8** **8,7%**	**44** **47,8%**	**29** **31,5%**	**11** **12,0%**	**92** **100,0%**

Table 5.30

Cross-tabulation: Section B1's clusters – distance travel

	0–10km	11–20km	21–30km	31–40km	40km+	Total
Satisfied	**16** **38,1%**	**11** **26,2%**	**7** **16,7%**	**3** **7,1%**	**5** **11,9%**	**42** **100,0%**
Unsatisfied	**11** **50,0%**	**4** **18,2%**	**2** **9,1%**	**2** **9,1%**	**3** **13,6%**	**22** **100,0%**
Very satisfied	**11** **39,3%**	**6** **21,4%**	**4** **14,3%**	**1** **3,6%**	**6** **21,4%**	**28** **100,0%**
Total	**38** **41,3%**	**21** **22,8%**	**13** **14,1%**	**6** **6,5%**	**14** **15,2%**	**92** **100,0%**

Table 5.31

Cross-tabulation: Section B2's clusters – language

	Afrikaans	English	Xhosa	Total
Satisfied	**13** **35,1%**	**23** **62,2%**	**1** **2,7%**	**37** **100,0%**
Unsatisfied	**6** **30,0%**	**13** **65,0%**	**1** **5,0%**	**20** **100,0%**
Very satisfied	**7** **25,9%**	**18** **66,7%**	**2** **7,4%**	**27** **100,0%**
Total	**26** **31,0%**	**54** **64,3%**	**4** **4,8%**	**84** **100,0%**

ADDENDUM A

In the sections that follow, we look at a number of different sources of research topics that you may relate to easily, ranging from everyday experiences to specific interests that may trigger your curiosity.

Direct experience and observation

Most people would relate to topics and problems revolving around personal issues, such as career opportunities, personal wellbeing and happiness, social belonging and any other issues that directly affect them. Direct experience and the observation of your immediate environment and the situation in which you find yourself could be meaningful sources from which to identify a relevant research topic. These are only a few examples of how your immediate environment and careful observation may generate research topics:

- If you experience or observe relationship problems, you may be interested in the role of communication in improving the quality of intimate relationships.
- You may be inquisitive about how your inner self-talk influences your confidence and success in life.
- You may observe that some people seem to have more self-discipline than others, which could awaken your interest.

In addition to the different worldviews, paradigms or traditions and theoretical perspectives to which you have been introduced in previous chapters, there are different ways, or modes, of observation. These modes range from a very broad to a very narrow focus. What you see is determined by the way you are looking at a phenomenon. For example, if you look at something through a microscope, you notice things that are not visible to the naked eye.

You may also consider that you do not always look at things in the same way on different days. For example, if you are late for a meeting, the congested traffic may upset you, while on other days you may not notice it at all and enjoy listening to the radio. In other words, the way you look at things—your mode of observation—may determine whether you consider an issue as a potential topic to research.

Social contexts

Society is constituted by social systems (families, organisations, schools, universities, and so on) created through communication or interaction (Luhmann, 2002). These social systems create many different contexts from within which we could source research topics. For example, the context of your college or university, which is a social system, may be described as an educational system within South Africa. If you therefore decide to research a topic within your tertiary institution, it is likely that you will describe the context as an educational system. The context will change, however, if you are interested in your fellow students' tendency to use a certain brand of cellular or mobile phone.