ANALYSIS OF FACTORS AFFECTING THE FREQUENCY OF VISITS AND THEIR IMPACT ON PURCHASE INTENTION AT XYZ MALL

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The level of expenditure centers in Indonesia continues to increase from year to year, but at the same time there has been a decline in several expenditure centers. One XYZ mall was struggling to survive amid the growth of new malls. The purpose of this study is analyze the factors that have an impact on frequency of visits and purchase intention at XYZ mall. This study uses quantitative attributes of causality, the research model uses Partial Least Squares regression with the number of respondents used as many as 102. The results of this study found that both communication/promotion and convenience have significant influence on frequency of visits, while tenant variety, internal environment and leisure mix do not. Frequency of visits is proven to have positive variations and reinforcement to mediate.

Keywords: convenience, tenant variety, internal environment, communication and promotions, frequency of visits, purchase intention, retail

INTRODUCTION

Economic growth in a country is influenced by the growth of the purchasing power of the people. The higher the economic growth in a country, the higher the purchasing power of the people, and vice versa. Economic growth in the capital city of Jakarta, based on the data from Badan Pusat Statistik (2019), experienced an increase in the economy by 6.17% in 2018. Due to the increase in the economy impacting people's purchasing power, the household consumption in the third quarter of 2018 managed to grow at 5.01% (Anggit & Asmara, 2018). With an increase in the economy in an area, new types of businesses in both goods and services will emerge to meet the needs of the community. Existing companies are demanded to be more able to know the needs and desires of the community, hence the company's survival amid the growth of similar types of businesses. The growth of shopping centers in Indonesia has continued to grow, however, there

are also malls that have started to be abandoned by consumers. According to Tysiac (2013), shopping centers allow a comfortable shopping experience and have been transformed into social centers and recreational facilities in addition to shopping activities. Consumers visit shopping centers not only to search for products, but they also see this visit as an entertainment activity that gives pleasure from the shopping experience (Kim, Lee, & Kim, 2011). Based on the discussion, it can be seen and noticed that shopping malls are still in demand by consumers for their purchasing experience and recreational purposes (Calvo-Porral & Levy-Mangin, 2018).

By seeing the number of shopping centers and malls that have been devoid of visitors in recent years, this study attempted to investigate a research at XYZ mall which experienced a significant decrease in profit. To support the data stating a decline from XYZ mall, the authors surveyed 150 stores and found that more than 50% of the tenants felt dissatisfied because of not reaching the sales target. It can be

seen that there are problems faced by XYZ mall related to the consumer's interest of the consumers to visit.

The researchers also conducted a pre-test to 12 respondents on the reasons people are coming back to malls. Most of the answers were tenant variations, discounts or promotions, the atmosphere of the mall, proximity, and places to hangout. Based on the pre-test result, this study is aimed to determine the effect of comfort (convenience), tenant variation (internal environment), leisure mix, communication/promotion, towards the frequency of visits and the impact on purchase intentions at XYZ mall.

Based on the discussion, the problem formulation can be broken down into as follows:

1. What is the effect of convenience on the frequency of visits for XYZ mall visitors?
2. What is the impact of tenant variety on the frequency of visits of XYZ mall visitors?
3. What is the effect of the internal environment on the frequency of visits for XYZ mall visitors?
4. What is the impact of the leisure mix on the frequency of visits for XYZ mall visitors?
5. What is the effect of communication/promotion on the frequency of visit for XYZ mall visitors?
6. What is the impact of communication/promotion on the purchase intention of XYZ mall visitors?
7. What is the impact of frequency of visits on purchase intention of XYZ mall visitors?

LITERATURE REVIEW

Leisure Mix

Much prior literature has focused on how entertainment has become one the most important factors to choose a shopping mall to visit (Kesari & Atulkar, 2016). Even if they are full of strangers, malls serve as the center for socialization and entertainment consumption (El

Hedhli, Chebat, & Sirgy, 2013). Removing their strain, negative emotions, and to create emotional bonding are considered as some of the most thoughtful motivations to select a mall (Rintamaki, Kanto, Kuusela, & Spence, 2006). People meet at the mall to sense and feel the enjoyment and excitement for shopping process.

Convenience

Little is known about convenient shopping experience which may aim to reduce time and effort spent in the buying process (Pan & Zinkhan, 2006). Shopping mall convenience can be defined as the utility derived from the place's ability to provide customers with the opportunity to reduce time and effort (El-Adly & Eid, 2015). For consumers, one of the important factors to visit shopping malls is convenience, while retailers are able to provide time convenience by extending trading hours and spacious parking facilities, (El Hedhli et al., 2013; Clulow & Reimers, 2009; Yan & Eckman, 2009). Thus, shopping mall convenience can be favorably perceived as highly accessible area location (Chebat et al., 2010).

Internal Environment

For effective marketing strategies, shopping malls need to fulfill and pay attention towards all of the functional and psychological attributes in order to help create the expected shopping experience (El Hedhli et al., 2013). Mall environment categories, e.g. exterior, interior, layout, interior display, and human variables, have played a major impact on drawing consumers' attention towards their time spent inside, overall evaluation and re-patronage intentions (Raajpoot, Sharma, & Chebat, 2008). Moreover, the internal environment contributes to creating an emotional response and to influence the overall evaluation of the mall (Correia-Loureiro & Roschk, 2014). According to prior research, internal environment encourages visitors to linger around and experience leisure (Raajpoot et al., 2008; El Hedhli et al., 2013). A mall's internal ambience is expected to contribute to build customer traffic

(Dennis, Newman, Michon, Brakus, & Wright, 2010).

Tenant Variation

The necessities that incorporates the attractiveness and quality of a shopping mall include a variety of stores within one single location which can attract and satisfy the shoppers' needs (El-Adly & Eid, 2015). A good tenant mix, which includes an assortment of retail/service providers, space allocation, and tenant placement, is likely to be preferred than those with less tenant variety and may not attract potential customers (Chebat et al., 2010; El Hedhli et al., 2013). The role of a wide assortment of stores may determine the effectiveness of a shopping mall which has an impact towards sales by attracting more customers as well as their purchasing proneness while being inside the mall, since the purchasing associated costs of time and effort are considerably lowered (Damian, Dias-Custro, & Castro-Pinto, 2011; Pan & Zinkhan, 2006).

Communication and Promotion

Communication and promotional activities to inform the community are regarded as important factors to create shopping motives prior to visit the shopping malls as well as creating customer experience (Millan & Howard, 2007; Ailawadi, Beauchamp, Donthu, Ghauri, & Shankar, 2009; Grewal, Levy, & Kumar, 2009). According to Chebat et al.'s (2010) study, mall promotions influence customers' attitude to visiting a mall and shopping patronage.

Based on the discussion above, it can be hypothesized that:

H1: there is a significant effect of convenience on the frequency of visits
H2: there is a significant influence of tenant variety on the frequency of visits
H3: there is a significant influence of the internal environment on the frequency of visits
H4: there is a significant influence of the leisure mix on the frequency of visits
H5: there is a significant influence of communication and promotions on the frequency of visits
H6: there is a significant influence of communication and promotions on the purchase intention
H7: there is a significant effect of frequency of visits on the purchase intention

RESEARCH METHODOLOGY

This type of research is associative research (research that aims to determine the relationship between 2 or more variables). The time horizon used in this study is cross-sectional, information collected only within a specific time period. The sampling technique uses probability sampling with a simple random sampling method, the unit of analysis in this study is the user of XYZ mall visitors. Quantitative samples taken were 102 respondents who were XYZ mall visitors who had visited XYZ mall more than two times. Data collection techniques used are primary data by distributing questionnaires through social media. While secondary data obtained through literature studies are from international and national journals, articles about data collected from the internet, and textbooks. The data analysis technique used is PLS-SEM to see in more detail the relationship of each indicators. Framework model of the research can be seen in Figure 1.
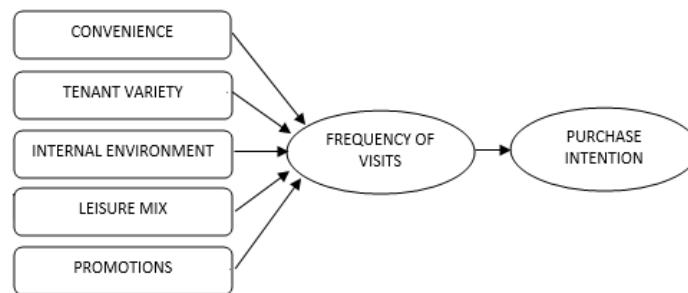

Figure 1. Framework Model of the Study

RESULTS AND DISCUSSION

The measuring model evaluation or outer model assessment is based on the confirmation of convergent validity, internal consistency reliability and discriminant validity (Ringle, Silva, & Diógenes de Souza, 2014). The convergent validities are obtained by the observations of the Average Variance Extracted

(AVEs). According to (Henseler Ringle, & Sinkovics, 2009) the AVEs values for all measurements should exceed the threshold limit of 0.50. Those having values below 0.50 were dropped from the measurement model. Figure 2 presents the measurement model of the present study in PLS-SEM. The values of AVEs greater are than 0.50. Thus the model can be considered to have convergent validities.
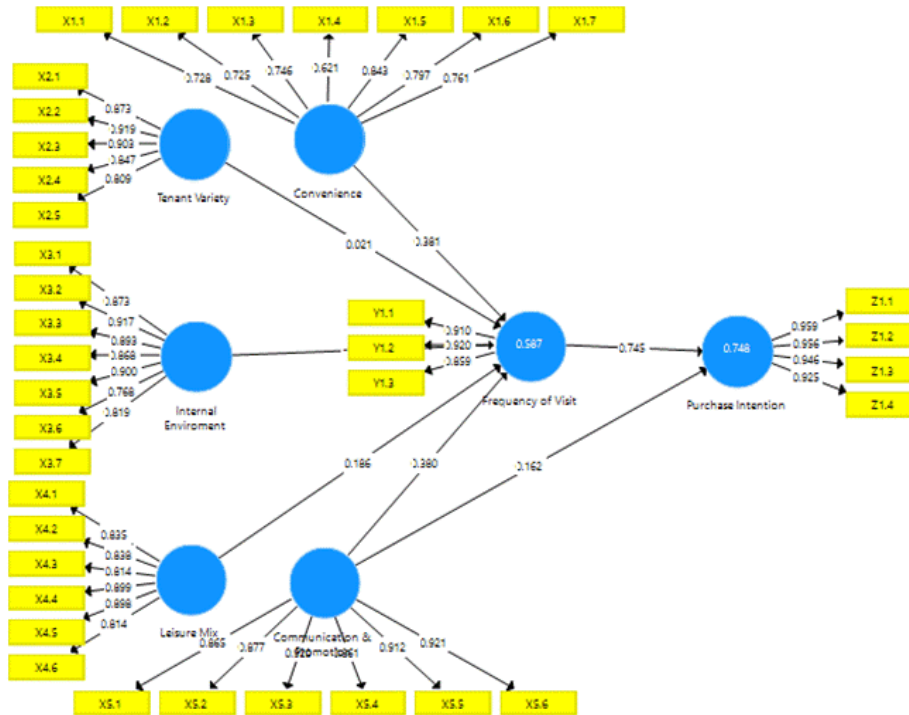
Figure 2. Outer Loading Test

Path Coefficient Test (MEAN, STDEV, t-values)

Referring to the path analysis in Table 1, it can be concluded that:

a. The influence of Communication and Promotions on Frequency of Visit has a significant nature with T-statistics of 2.982 > 1.65. The original sample value in the table above is positive, with a value of 0.358, which shows that the effect of Communication and Promotions on the Frequency of Visits is significantly positive.

b. The influence of Communication and Promotions on Purchase Intention has a significant nature with T-statistics of 1.933 > 1.65. The original sample value in the table above is positive, with a value of 0.162, which shows that the influence of Communication and Promotions on Purchase Intention is significantly positive.

c. The influence of Convenience on Frequency of Visits has a significant characteristic with T-statistics of 4.010 > 1.65. The original sample value in the table above is positive, with a value of 0.415, which shows that the effect of

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Convenience on the Frequency of Visits is significantly positive.

d. The influence of Frequency of Visits on Purchase Intention has a significant nature with T-Statistics of 9.902 > 1.65. The original sample value in the table above is positive, with a value of 0.745, which shows that the effect of Frequency of Visits on Purchase Intention is significantly positive.

e. The influence of Internal Environment on Frequency of Visits has a significant nature with a T-statistics of 1.277 < 1.65. The original sample value in the table above is negative, with a value of -0.127 showing that the influence of the Internal

Environment on the Frequency of Visits is negative.

f. The effect of the Leisure Mix on the Frequency of Visit has a significant trait with a T-statistics of 1.259 <1.65. The original sample value in the table above is negative, with a value of 0.177 showing that the influence of the Leisure Mix on the Frequency of Visits is negative.

g. The influence of Tenant Variety on Frequency of Visit has a significant trait with a T-statistics of 0.001 < 1.65. The original sample value in the table above is negative, with a value of 0.000, indicating that the influence of the Tenant Variety on the Frequency of Visits is negative.

Table 1. Summary of Relationships between Variables

Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P-values
Communication & Promotions → Frequency of Visit	0.358	0.366	0.120	2.982	0.003
Communication & Promotions → Purchase Intention	0.162	0.155	0.084	1.933	0.054
Convenience → Frequency of Visits	0.415	0.418	0.103	4.010	0.000
Frequency of Visits → Purchase Intention	0.745	0.750	0.075	9.902	0.000
Internal Environment → Frequency of Visits	-0.127	-0.123	0.100	1.273	0.204
Leisure Mix → Frequency of Visits	0.177	0.164	0.140	1.259	0.209
Tenant Variety → Frequency of Visits	0.000	0.006	0.124	0.001	1.000

CONCLUSION

The factor of Convenience has a positive and significant influence on Frequency of Visits. This is in contrast to research conducted by Calvo-Porral and Levy-Mangin (2018) which mentioned that Convenience does not have a significant influence on the frequency of visits.

This shows an inconsistency between the results of the study. According to El-Adly and Eid's (2016) study, it was found that Convenience has a positive influence on consumer loyalty, where one of the dimensions used in that loyalty is the interest to visit again. This can be analyzed because of the experience of a professional and can be trusted to make the delivery of messages

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can be received better. This finding could be an improvement of convenience variable theory in influencing mall consumer behavior, and it is necessary to have a more in-depth study related to the dimensions or indicators of the variable, because there is a chance that differences in the characteristics of respondents will affect the indicators of these variables.

The Tenant Variety factor does not have a significant effect on Frequency of Visits, which is in line with Calvo-Porral and Levy-Mangin's (2018) study mentioning that Tenant Variety has a positive and significant effect due to the experience of a professional and trustworthy person to create better message delivery. This result also contradicts a past study which found that tenant variety is very important to be able to meet the needs of consumers who are constantly changing to meet the desires, life values, and lifestyles, so that it will affect the interest of returning customers to go to the mall (Tysiac, 2013). According to the author's analysis, this inconsistency is due to the characteristics and goals of mall visitors in their visits. They have an orientation that is sure to be less concerned with tenant variations, which can also be influenced by motivation to visit a mall, whether they are hedonic or utilitarian motivations that influence their attention to variations in mall tenants.

The Internal Environment factor does not have a significant effect on Frequency of Visits. This is not in line with Calvo-Porral and Levy-Mangin's (2018) study which stated that Internal Environment has a positive and significant effect towards visit frequency which can be caused by differences based on existing dimensions. But this is in line with research conducted by El-Adly and Eid, (2016) where the results of the study revealed that the environment does not have a significant influence on consumer loyalty, where one of the indicators used in loyalty is the interest to revisit which refers to the frequency visit, although the environment would be influential if assessed through customer satisfaction.

The Leisure Mix factor does not have a significant effect on Frequency of Visits. This is not in line with Calvo-Porral and Levy-Mangin's (2018) study because Leisure Mix has a positive and significant effect. However, the findings still contradict with El Hedhli et al.'s (2011) research which found that mall leisure has a significant

effect on customer loyalty to visit a mall. This could be due to differences based on the existing dimensions that the measured factor was based on the types of mall tenants, e.g. entertainment, food.

The Communication & Promotions factor has a positive and significant influence on Frequency of Visits. This is in line with Makgopa's (2016) study which explains that one of the reasons that consumers are willing to visit a mall is the promotion provided by the vendors, which has an impact on increasing the interest in visiting again in the future. Yet this finding contradicts Calvo-Porral and Levy-Mangin's (2018) study which stated that Communication & Promotions has no effect towards frequency of visits. Thus, it can be said that there is still inconsistencies associated with this theory.

The Frequency of Visits factor has a positive and significant influence on Purchase Intention. The result is in line with Calvo-Porral and Levy-Mangin's (2018) study which mentioned that Frequency of Visits has a positive and significant effect due to the experience of a professional and trustworthy person to deliver better messages. This finding also supports El-Adly and Eid's (2016) research where satisfied consumers after visiting a mall will have an interest in visiting again in the future.

Implications

The communication and promotions factor having a significant effect on the frequency of visits should be of the XYZ mall's management concern to organize and maximize more marketing events in the future. There are things that must be considered in organizing marketing events, among others, to be interesting to be able to affect the interests of visitors, based on the profiling of respondents that some visitors are in the age range of 21-30 or the millennial generation. Thus, XYZ mall management must be aware of which entertainment needs that would be highly suitable of this particular generation, e.g. music events, discount bazaar events, festival food events, talk show events. Besides, they need to maximize cooperation with other parties, especially tenants who want to organize certain events to get the interest of visitors. Events are expected to be held

periodically so as to stimulate visitors to have the frequency to visit.

The convenience variable has a significant effect on the frequency of visit, but according to the results of the data processing there are still some indicators that are considered by the respondents to be imperfect, e.g. the spacious parqueting indicator. Therefore, XYZ mall needs to expand the parking lot or refine the layout of the parking space so that it can be maximized in the use of the parking lot. In addition, the company can maximize the parking space around the mall area to be used with facilitation of the shuttle bus from the parking lot to the nearby entrance.

The frequency of visit variable has a significant effect on purchase intention because the frequency of visits is a mediating variable in this study. It is expected that maximizing these two variables (communications and promotions, convenience) will have an impact on the frequency of visits and impact on consumer buying interest.

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