

[POM 14] FACTORS THAT INFLUENCING STRATEGIC LOCATION OF VARSITY MALL, UUM ON PERSPECTIVE STML STUDENT UUM

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ABSTRACT

This research aims to examine the factors that influencing strategic location of the Varsity Mall towards School of technology management and logistic (STML) students. A field survey of Varsity Mall customer in Universiti Utara Malaysia (UUM) in Sintok Kedah was conducted among students especially STML students. This study also examines the student's satisfaction and to identify the important need that students wants from Varsity Mall. Have five factors that influencing the strategic location of Varsity Mall, which is comfort, entertainment, diversity, convenience and mall essence. Over 180 questionnaires were distributed to respondents through judgement sampling. All data are analyzed by SPSS software. By using the descriptive analysis the level of satisfaction among STML students towards Varsity Mall performance has provided are examined. The findings of this study will help the company or organization or the university to improve their facilities provided to the students in achieving the student's satisfaction due to the evaluation of keys factor that influencing the strategic location of Varsity Mall UUM.

Keywords: *strategic location factor, consumer satisfaction*

INTRODUCTION

The strategic location is an important influence in the selection of a business location, for the purpose of location strategy is to maximize profits for the company's location. Business location depends on the type of business. Formulating a location strategy typically involves the following factors such as Facilities, Feasibility, Logistics, Labor, Community and site, Trade zones, Political risk, Governmental regulation, Environmental regulation and Incentive negotiation (Bognanno, 2005). The study of this research is about the strategic location of the Varsity Mall in University Utara Malaysia (UUM) and the factors that influencing the Varsity Mall visitor.

The management of university wants to apply the values of entrepreneurship amongst students by developing and upgrading the existing on-campus business complexes (Mustafa, 2015). Varsity Mall UUM has been playing the important role in retailing and business industry in university campus. UUM is the one of the universities in Malaysia. As a fully residential university, Universiti Utara Malaysia provides accommodation for almost 20,000 of its students in 15 residential halls.

Problem statement

Varsity Mall is important to the student in the campus. UUM was located far from the town and the student are difficult to buy their needs. It's takes about 20 minute to go to the nearest town. Varsity Mall was a student center for UUM student. However, have a few problems that student need to face such as transportation and facilities.

Unfortunately, problems encountered on site selection is a problem Varsity Mall location does not convenient for UUM students in routes C and D. Student in the routes C and D are located far from the location of the Varsity Mall where it is difficult for students to go to the Varsity mall. Which is not enough parking area. In addition, the strategic position of the toilet can be a danger to female students. ATM also not provided. Location nearest ATM machine takes 8 to 10 minutes to reach. It is difficult and does not provide comfort to the customers Varsity Mall. For this study, to determine the main factors influencing strategic location of Varsity Mall UUM and to investigate the satisfaction of UUM students to Varsity Mall UUM of student perception are become main objective for this research.

Research objective

The present research aims to achieve the following objectives:

1. To investigate the level of satisfaction of STML student towards Varsity Mall UUM location.
2. To investigate the impact of strategic location factor on customer satisfaction of Varsity Mall UUM.

LITERATURE REVIEW

Strategic location factor

Now, direct attention Directions Measuring Customer Satisfaction a good selection of locations for shopping mall suitable or not. According to Zhuang, Tsang, Li, and Nicholls (2006), they already state that's the objective of this research it is to investigate the impact of situational factors on shopping mall 'decisions. The survey methodology using Based on Belk's framework on situational factors in a sales situation, the study employed a dataset of mall shoppers in the USA, China and Hong Kong and logistic regression for analysis. It is found that, whether in the consolidated example or in the individual specimens, nine of the 13 situational variables considered altogether influenced customers' buys of sustenance or non-nourishment items. However, purchases will be varied because of influence by the situation from the type of product that already bought. All the more imperatively, the discoveries on the effect of a few elements were predictable crosswise over three or two specimens, recommending that their outer legitimacy might be stretched out to specific conditions.

In the context of location factor, positioning revisited (Maggard, Positioning Revisited, 1976) have said that the strategy is put universal coverage position. It's not a different concept single but it includes many concepts that are closely related to each other. Maggard also talk about how to put a concept vehicle, head on over position, the position of social accountability, inclusion of internal and external position as part of a strategy position.

Theory of Weber (1929) have theories relating to the least cost location. The theory states that the location of the industry should be put in place that states that the location of industry should be put into place that has a cost that has the most minimal land lease. The place has a total cost of transportation and labor are minimal and tend to be identical to the maximum benefit rate. (Rajah Rahsiah, 1996)

Accessibility and transport

Accessibility is the key to the success of a mall, mall besides having to enter service and convenience for buyers. Into consideration in determining the location of the mall include a minimum distance, maximum demand fulfillment, access to easy public transportation, close to the railway line, close to the main road, ease of parking and traffic quality. If the status of the existing transport facilities assessed in terms of facilitating access to the store, they are believed to support or influence the sales potential of communities and eventually store at a given trade area (Redinbaugh, 1987).

Attractiveness

Consumers do not always choose the mall closest to their specialty, but the elements-elements that are important from their perspective is an attraction and ability to support their needs. Landscapes shopping mall, proximity to commercial activities as well as the source of entertainment and recreation, the size of the shopping center or the business district, and the characteristics of the store itself can be taken into consideration in determining the location of the mall.

Environment

Considerations relating to the environment is done by looking at criteria such as air pollution and air pollution to a minimum, this pollution include pollution that are already in place before it is built shopping mall, because the levels of pollution will also affect the number of existing customers, as well as the ability of the environment to support services provided should be the maximum. In looking for a good location, the retailer must learn in a competitive environment as determinants of store performance (Reinartz, 1999).

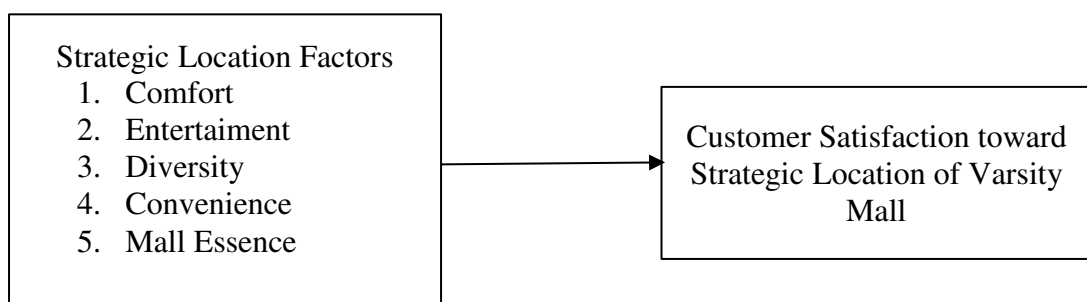


Figure 1

Conceptual framework of relationship between strategic location factors and customer satisfaction

METHODOLOGY

Population and sampling methods

Population of this study is focus about the population in school of technology management in logistic (STML) at University Utara Malaysia (UUM). It is around the range 1,200 students regardless gender, age, year of study and programme. For sampling method a subset of the population that suitably represent that entire and distribute the sampling for 180 responden. A list of sample are student from programme operation management, BBA logistic and tranfortation and technology management.

Questionnaire design and data collection

Primary questionnaire is design by collected the information from the survey questionnaire. Then secondary technique is examine of large and small population selecting and analyse sample chosen from population to the know and identify the relation incidence, distribution and interrelation of sociology and demograhic variables. The survey questionnaire have a 57 question and have a three sections. For section A, it has seven question about demographic infomation. Each section B and C have 25 questions for student perception. This study used fourth likert scale. For section B, scale number refer tu strongly dissatisfied, scale two is dissatisfied, third scale is satisfied and fourth scale is strongly satisfied. For section C, the first scale is not important, second scale is less important , third scale is important and fourth scale is very important.

Data analysis

This study used descriptive which is cross-sectional survey based on one case - Universiti Utara Malaysia to collect the data. Descriptive technique, correlation and regression analysis were used to examine the strategic location factor that influencing customer satisfaction at Varsity Mall, UUM. Mean score used to examine the level of satisfaction STML student toward strategic location at Varsity Mall, UUM. Mean score is categorized to 4 level of satisfaction which is mean from 1.00-1.75 for strongly dissatisfied level, 1.76- 2.50 for dissatisfied level, 2.60-3.25 for satisfied and 3.26-4.00 for strongly satisfied. Whereas Reliability Test technique also used to measure the internal consistency of our research questionnaire before continue with the research. Data that has been collected will key in and analyzed using Statistical Package for Social Science software.

Table 1
Satisfaction level and measurement scale

Scale	Mean Score
Strongly dissatisfied	1.00-1.75
Dissatisfied	1.76- 2.50
Satisfied	2.60-3.25
Strongly satisfied	3.26-4.00

FINDINGS

Respondent background (demographic)

Based on the data analysis below, the total of our respondents is 180 persons of STML students. The main respondents of our questionnaire which is 79 persons or 43% of

MOT student. Next, following by POM student which is 37 persons or 38.9%. Whereas, the respondents from logistic student is only 31 persons or 17.2%.

Table 2
Frequency

Year of Study	Frequency	Percent
POM	70	38.9
MOT	79	43.9
Log &Trans	31	17.2
Total	180	100.0

Level of perception on customer satisfaction and strategic location factor

Based on the findings, the level of customer satisfaction is satisfied at mean of 2.83. This study get the result of the mean score for comfort factor is 3.34, diversity factor is 3.36, convenience factor is 3.29 and for the mall essence is 3.3 which show the level of student important needs is very important. While the factor show the mean score for entertainment which is 3.25 which show the level of student important needs is only important. From the result of mean score of these 5 factors variables, this study show that the respondent is most expected towards comfort factor, diversity factor, convenience factor and mall essence factor.

Table 3

Level of perception on customer satisfaction and strategic location factor

	Mean
Customer Satisfaction	2.83
Strategic Location Factor	
Comfort	3.34
Entertainment	3.25
Diversity	3.36
Convenience	3.29
Mall Essence	3.30

Pearson-Correlation results

From five factors, only convenience and diversity that effect to all satisfaction. For diversity, the customer satisfaction correlation is .179* correlation is significant at the 0.05 level. For convenience factor, the customer satisfaction correlation is .192** **. Correlation is significant at the 0.01 level.

Table 4
Result of Pearson-Correlation

Variable	Customer satisfaction
Strategic Location Factor	
Comfort	.024
Entertainment	.016
Diversity	.179*
Convenience	.192**
Mall essence	.125

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Regression analysis results

Multiple regression analysis was used to test if the strategic location significantly predicted customer satisfaction on Varsity Mall. The results of the regression indicated the three predictors explained 9.3% of the variance ($R^2 = .093$, $F(5,55)=3.571$, $p<.01$) on customer satisfaction. It was found that comfort significantly predicted customer satisfaction ($\beta = -.355$, $p<.01$), as did diversity ($\beta = .308$, $p<.05$) and convenience ($\beta = 2.68$, $p<.05$).

Table 5
Correlation coefficients

	β	t	p
Comfort	-.355	-2.706	.007
Entertainment	-.060	-.615	.539
Diversity	.308	2.124	.035
Convenience	.268	2.148	.033
Mall Essence	-.032	-.277	.782

Dependent variable: Strategic location

DISCUSSION AND RECOMMENDATION

This research shows important factor of strategic location on customer satisfaction of Varsity Mall UUM, which include comfort, diversity and convenience. This indicates that the comfort factor offered by the Varsity Mall UUM like comfortable interior design and layout and comfortable seats during shopping negatively impact on customer satisfaction. Then for diversity factor have shown that the plurality and variety of restaurant, availability of international stores or branches and availability of services such as ATM, pharmacy, salon, laundry, and barber shop has influence the customer satisfaction. Then for convenience factor is ease of reaching to the mall has influence customer satisfaction.

If the management of Varsity Mall UUM want to invest or upgrade their facility or services, the management should invest or upgrade only in these three factors. However, these three factors do not need a lot of investment or upgrade to achieve the customer satisfaction. Because the customer satisfaction level has reach their satisfaction. If upgrade all three of these factors, it will not give significant impact on

customer satisfaction. Meanwhile, the other two factors, entertainment and mall essence will not have to improve because it is not going to contribute anything for customer satisfaction level toward Varsity Mall UUM.

CONCLUSION

To conclude, overall the level of customer satisfaction of Varsity Mall UUM are satisfied. They are three strategic location factors that can give impact on customer satisfaction of Varsity Mall UUM which consist of comfort, diversity and convenience factor. Therefore, the management should focus more these factors in order to increase the customer satisfaction. High customer satisfaction can increase the number of visitor to Varsity Mall UUM which indirectly increases the sales of the shops.

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