

Location and Typology of Shopping Centres as Catalyst for Economic Growth

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Abstract: Shopping malls play a vital role in promoting economic growth and urban development. Yet, the literature on shopping centres is still limited. This shortcoming must be addressed not just because more research will contribute to the enrichment of knowledge and theory in related fields. It is also because keeping abreast with the performance of shopping centres in catalysing regional and national development will help planners and policy makers to make necessary reviews of and amends to existing programmes. In Malaysia, wholesale and retail business figures prominently in the newly minted Economic Transformation Programme (ETP) of the country deemed to launch it into a high-income country by 2020. Given this context, this paper brings the Malaysian shopping centres into focus by analysing the locational pattern and implications of the Klang Valley shopping centres. The Hines' model of the typological classification of shopping centres was used. It was found that there is vast room for improvement for shopping centres in the Klang Valley to really become the catalyst for Malaysia's development. Many of the existing shopping centres in outlying areas need to graduate from their neighbourhood and community status to attract many visitors from further afield in order to generate the multiplier impact on the local economy. As for the core areas, the location of the super regional and regional shopping centres in saturated and congested sites will need to be reviewed. There should also be more attention given to the image enhancement of the shopping centres.

Key words: Shopping Centre • Community Centre • Super Regional Centre • Neighbourhood Centre

INTRODUCTION

Issues pertaining to the relationships between the location of shopping centres and economic development have been widely studied [1-5]. It is learnt from these studies that shopping is a major trend in the retail sector throughout Europe for decades [6]. It is also learnt that in choosing retail outlets, today's customers generally showed a tendency to shop at shopping centres that offer a wide range of products under one roof and at the same time offer experience and entertainment environment [7-9]. In fact, it has been reported that the rapid development of shopping centres is an important trend in the retail sector in most Asian countries. The rapid development is not just in number but also in the qualitative terms such as the progress of the shopping centre's concept, mixed tenancy and the management of shopping centres [10].

However, the literature on shopping centres is still limited although it had enjoyed a fine start [10]. Meyer-

Ohle, for example, observes that there was almost no work related to shopping centres either in English or Japanese in the early 2000s. This conspicuous absence which was due to the lack of major shopping centre development in the West should not continue because the opposite positive trends in the Asian countries need to be studied and should not be overlooked by academic researchers [10].

That academic researches regarding shopping centres are hard to come by is also true in Malaysia. There is but one in the form of a research consultancy report by Raine and Horne International Zaki and Partners entitled 'Trend of Shopping Centre Developments in the Greater Klang Valley Towards 2005 [11]. This shortcoming must be addressed not just because more research will contribute to the enrichment of knowledge and theory in related fields. It is also because wholesale and retail business figures prominently in the newly minted Economic Transformation Programme (ETP) of the

country deemed to launch it into a high-income country by 2020. Given this context, this paper brings the Malaysian shopping centres into focus by analysing the locational pattern and implications of Kuala Lumpur and the Klang Valley shopping centres.

Methodology: The Study Area: The evolution of shopping centres in Kuala Lumpur started with the opening of the first supermarket, the Weld Supermarket in Weld Road (now Jalan Raja Chulan) in 1963. After that, several other supermarkets were established; they were Emporium Selangor, Globe Silk Store, Yuyi Emporium and Batu Road Supermarket. All these supermarkets began their early development as neighborhood centres.

In 1973, a new wave set in with the opening of the Ampang Park shopping centre followed by the Campbell Complex, Wisma Stephen, Wisma Central, Sun Complex, Pertama Complex, Wisma MPI and Angkasaraya. The main features of these early 1970s shopping complexes were a podium block that housed the shopping area and offices, parking facilities and small retail outlets; but the design layouts were not attractive and there were no pedestrian walkways. They served more as community centres.

In 1990s, the shopping complex phenomenon spread into the suburbs. This development was triggered by factors such as spatial saturation and traffic congestion in the city centre. In the early 2000s, the new shopping complexes articulated a new concept that is, of creating unique attractions by emphasising the element of entertainment and fun. Mines Shopping Complex, Sunway Pyramid and Berjaya Times Square offer not only the typical features of a shopping centre, but integrate recreation and entertainment. Thus it has become a norm in Malaysia in general and the Klang Valley in particular that a shopping centre is a lifestyle centre that depends less and less on anchor tenants in attracting visitors.

In 2010, the government unveiled an Economic Transformation Program (ETP) which was to launch Malaysia into the high-income country (USD 16,000 per capita) by 2020. In line with this 12 areas have been identified as National Key Economic Area (NKEAs) which mission is to implement high-impact projects that will trigger a multiplier effect on the overall economic growth. The wholesale and retail business along with the regional development of Kuala Lumpur and the Klang Valley has been pinpointed as two of the NKEAs. Kuala Lumpur and the Klang Valley are now assigned as the National Growth Conurbation (NGC) to serve as an international trading

centre of the country [7]. Needless to say, shopping centres as a vital component of NGC retail sector will be playing a catalyst role in the years leading to 2020.

The scope of the retail business in Malaysia is broad and includes hypermarkets, shopping malls, specialty shops, stores and direct sales. Retail sector is considered as a major contributor to sales, employment, wages and productivity in Malaysia. This broadening of the retail scope was the direct result of the expansion in the consumer market where in addition to local residents there are now tourists and expatriates [8].

As far as Kuala Lumpur is concerned, the city is slated to be a world class shopping city according to the Kuala Lumpur Structure Plan 2020. This is where business precincts are designed to support retail activities. These business precincts are located in Jalan Ampang, Jalan Tun Razak and KLCC-Bukit Bintang to Jalan Imbi, Jalan Tuanku Abdul Rahman, Chow Kit, Jalan Dang Wangi, Jalan Pudu, Jalan Petaling, Jalan Sultan and Jalan Hang Jebat.

The premier ones are of course the KLCC and Bukit Bintang. They are shopping precincts with the necessary international appeal to attract foreign tourists as well as local shoppers. The main shopping centres in this area are the Starhill, Lot 10, Bukit Bintang Plaza, Sungai Wang Plaza, Times Square and Pavilion Berjaya.

Outside Kuala Lumpur, the Klang valley zone is a cluster of major urban areas that are reaching saturated development. These areas consist of Petaling Jaya, Shah Alam, Gombak, Kajang, Ampang and Bangi. The pace and pressure of development in these areas have been such that even slums and dilapidated areas are not spared. Reuse of urban buildings and areal redevelopment has been practised. With the inception of the ETP and the NKEAs the development strategy for the Klang valley is to provide quality urban life and environment through the provision of integrated public transport services, travel demand management, world-class infrastructure and the greening of urban centres. In addition, the quality of city services is to be substantially improved and upgraded to support economic development and the distribution of settlements in the area.

In the peripheral zone of the Klang valley which covers the southern district of Kuala Selangor, Hulu Selangor, northern and eastern districts of Kuala Langat and Sepang, the development strategy is geared towards improving the level and quality of city services so as to render greater support to the accelerated economic and residential development of the Klang valley [12].

Table 1: Classification of Shopping Centres

Classification	Description
Neighborhood Centre	-Daily common needs, immediate purchase -Customers live or work nearby -Five minutes driving time -Six to eight stores in the centre, one anchored supermarket -Located near high density residential area and along major route
Community Centre	-Variety items including immediate needs, purchase after comparison -Customers from distance radius -10 to 15 driving time -10 to 15 stores in the centre, anchored by supermarket and other small tenants -Larger than the neighbourhood centre -Located in any urban area or central business district near residential area
Regional Centre	-Products and services are variety include special items -15 to 20 minutes drive -30 to 50 units in the centre with main anchor tenant -Located in prime commercial land and close to intersections of two or more highways or major roads -Usually outskirts of town where land is sufficient and also located in urban areas
Superregional Centre	-Variety customer goods and special items -30 to 45 minutes driving time -Contains three anchor tenants -100 retail spaces -Located in urban or new urban areas at intersection of two or more major highways -Integrated parking spaces
Special Centre	-Specialize in products or services -Customers from distance to get special items

Table 2: Number, Location and Type of Shopping Centre and Hypermarket

	Shopping Centres					Total	Hypermarket
	Super Regional	Regional	Specialty	Community Centre	Neighbourhood Centre		
Klang Valley Area							
West	4	11	3	4	2	24 (25.0%)	16 (57.1%)
Federal Territory of Kuala Lumpur							
East	1	9	1	5	1	17 (17.7%)	4 (14.3%)
North	0	4	1	6	4	15 (15.6%)	4 (14.3%)
South	0	4	0	7	2	13 (13.5%)	3 (10.7%)
Golden Triangle	1	0	0	1	1	3 (3.1%)	1 (3.6%)
Central Business District	3	5	3	2	0	13 (13.5%)	0
Total	9 (9.4%)	36 (37.5%)	12 (12.5%)	29 (30.2%)	10 (10.4%)	96 (100)	28 (100%)

The Analysis Technique: This study involved the tracking of the major shopping centres in the Klang Valley and mapping out their distribution. Profiles of the shopping centres were then sorted into groups and analysed in terms of areal, type and concentration patterns.

The typological classification of the shopping centres has been modelled after Hines [13] as presented in Table 1.

The Hines typology was based on the settlement classification of shopping centres and allow for the

assessment of the the Klang Valley shopping centres' locational profile. This is to detect if there are tendencies for the Klang Valley shopping centres to locate at certain sites because of certain factors other than just location.

RESULTS AND DISCUSSION

The Pattern: Table 2 and Fig. 1 show the distribution pattern of shopping centres and areas in the Klang Valley including Kuala Lumpur.

There are 96 shopping centres altogether. The west of Klang Valley has the highest number of shopping centres. Of these, 11 were classified as regional shopping centres, four super, three specialty and two neighborhood. The east has 15 shopping centres comprising four regional and six community. The north which includes Rawang, Selayang, Segambut, Gombak, Batu Caves and Ampang Jaya, has a total of 13 shopping centres of which four are regional, seven community and two neighbourhood. In contrast, the south which includes Putrajaya, Sepang, Kuala Langat and Banting has a total of only three shopping centres, one each of the super regional, community and neighborhood types. Meanwhile, the most concentrated area is the Golden Triangle with 13 shopping centres; three super regional, three specialty, five regional and two community. The next most compact is the Central Business District with a total of 11 shopping centres of which three are regional and four specialty and community respectively. Finally, the Territory of Kuala Lumpur has 17 shopping centres.

All in all, the super-regional and regional shopping centres are concentrated in the west of Klang Valley (14), the Federal Territory of Kuala Lumpur (10) and the Golden Triangle (8). The community shopping centres and neighborhoods have the largest presence in the East (10), the North (9) and the West (6) of the Klang Valley.

There are only 28 hypermarkets in the study area and they predominate in the West of the Klang Valley (57.1%). The West also has the most super-regional, regional, specialty, community and neighborhood shopping centres. The East comes second. In contrast, the specialty shopping centres are not available in the north and south. The north, nevertheless, is dominated by neighborhood centres.

The Implications: Results of the typology analysis show that shopping centres in the Klang valley are largely concentrated within Kuala Lumpur's Golden Triangle and Central Business District and in the east and west sides of the Klang valley. This is not surprising as shopping centres have taken root in these locations since 1963. That these locations continue to be the focal point of shopping is a credit to their continued ability and capacity to meet the diverse requirements of modern consumer shopping. Needless to say, Central Kuala Lumpur has got what it takes to be a world-class shopping hub.

Similarly, the west and east of the Klang Valley can be seen as strengthening the economic development zones as targeted in the state Selangor Structure Plan 2020. The concentration of world-class regional and super

regional shopping centres in these areas is expected to attract more domestic and international shoppers. Caution, however, must be taken in that based on the principle of market optimization, there are limits to the distance that customers are willing to travel to get the atmosphere and comfort offered by a super-regional and regional shopping centre. Indeed, the shopping centres will be able to obtain better sales if they are able to attract higher volumes of visitors from different parts of the country. To achieve this, certain types of entertainment activities - passive or a mixture of both active and passive entertainment activities - could be encouraged there [14]. Mall management should be urged to make this new measure of enhancing the entertainment image of the shopping centres as part of a more comprehensive marketing research programme [15]. Furthermore, within a highly intense competition, the creation of a holistic entertainment environment would be able to increase the competitive edge of shopping malls [16]. A shopping mall is not limited to just selling products and services for increasingly now people come to the shopping centre to be entertained [17-22].

The Klang Valley's shopping centres wishing to enhance their level of favourable perception do need to improve the level of their service quality, including cleanliness, ambiance and other promotional measures [23]. To ensure that they can serve as a catalyst to the development of the region they are serving these shopping centres must be able to operate profitably and this requires the ability to attract large number of visitors and customers. This is a matter of concern for the southern and northern parts of the Klang Valley. Here shopping is confined to only the community and neighborhood types of shopping centre. Only eight shopping centres with regional and super regional status are operating in these areas. This means that retail activity is relatively slow here compared to those with regional and super regional shopping centres.

In this vein the development of transportation networks from Kuala Lumpur to George Town and Johor Bahru should boost the shopping potency of the southern and northern parts of the Klang Valley. This should also serve well the need to disperse new commercial centres away from the saturated west, the Golden Triangle and the larger Federal Territory of Kuala Lumpur. This locational strategy has to do with the Reilly's law of retail gravitation which stipulates that the higher the capacity of a place (city) to cater to the spending needs of consumers, the higher the chance of the city to become the location of shopping consumers to live within range.

The placement of regional and super regional shopping centres in the southern and northern parts of the Klang Valley then is expected to catalyze economic development of the surrounding areas.

This is not to say that other attributes are less important. Things like decor, layout, efficiency of services and variety of stores must also be considered while planning malls in these less fast areas of the Klang Valley as they certainly have an effect on consumers' buying behaviours [24].

CONCLUSION

The pattern of particular types of shopping centres in a country could affect the pace of its development. The Lembah Klang case illustrates the still vast room for improvement for shopping centres there to really become the catalyst for Malaysia's development. More specifically, many of the existing shopping centres in outlying areas need to graduate from their neighbourhood and community status to attract many visitors from outside the immediate areas they serve and generate the multiplier impact on the local economy.

As for the core areas, the location of the super regional and regional shopping centres in saturated and congested sites will need to be reviewed. The sensible way forward will be for the shopping centres' operators to be encouraged by means of fiscal and non-fiscal incentives to relocate to the less saturated northern and southern areas of the valley. There should also be more attention given to the image enhancement of the shopping centres.

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