

SUBURBAN REGIONAL SHOPPING MALLS: RECONSIDERING ZONAL MERCHANDISING

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Changes in consumers and in the shopping environment appear to be jeopardizing the continuing success of the suburban regional shopping mall. An alternative configuration which has been suggested involves the use of zonal merchandising. Past research indicates that product-based zonal merchandising may have the potential to increase the number of visits made by consumers to suburban regional shopping malls and to increase the amount spent per visit. Results, however, suggest that product-based zonal merchandising may be more attractive to customers attracted by promotion events than customers attracted for alternative reasons.

INTRODUCTION

Considered an invincible force in retailing only a few decades ago, changes in consumers and in the shopping environment appear to be raising a number of issues which are jeopardizing the continuing success of the suburban regional shopping mall (McDonald 1999). With the number of customer visits to shopping malls declining, as well as the typical number of stores visited and the average time an individual spends shopping in a shopping mall during a typical trip (Laing 1992), it is not "business as usual" in the suburban regional shopping mall industry. As a result, increasing attention is being placed by members of this industry on how these centers can be best configured to ensure their continuing success.

One alternative configuration which has been suggested involves the use of zonal merchandising. Zonal merchandising consists of clustering mall tenants around specific themes, such as product or consumer lifestyle, with the goal of simplifying the shopping experience for the consumer. Preliminary evidence indicates that the use of zonal merchandising may have the potential to simplify the shopping experience for consumers, likely leading to a more enjoyable shopping experience and

increases in frequency of visits and in amount spent per visit (Anderson, Burns, Deiderick, Reid and Johnson 1999). This preliminary evidence, however, was gathered during a time of major promotional activity at the suburban regional shopping mall in which the study was conducted. Are the results observed by Anderson, et al. (1999) valid for all shoppers at that mall, or are they representative only of individuals attracted to the mall by a major promotional event? This is the focus of this research.

SUBURBAN REGIONAL SHOPPING MALLS

The suburban regional shopping mall is viewed by many as the crown jewel of the consumer culture (Langman 1992). Although little evidence suggests that the consumer culture is weakening or is in the midst of being supplanted with an alternative philosophy, suburban regional shopping malls appear to be losing some of their luster. Statistics indicate that suburban regional shopping malls are receiving increasingly smaller percentages of the consumers' discretionary income (Barrett 1997; Gallun 1996; Kenzer 1998; Miller 1997), a trend which began over a decade ago (Laing 1992). Indeed, between 1987 and 1994, the percentage of individuals who stated that they shop at suburban regional shopping malls "very often" declined by nearly 40 percent, and the percentage who claim that they do not shop at suburban regional shopping malls doubled from 12 to 24 percent (Cavanaugh 1996).

Evidence appears to indicate that these trends are continuing (McDonald 1999).

The relative decline being experienced by the suburban regional shopping mall appears to have its origins in changing consumer needs and desires. Specifically, increasing time pressures and increasing price sensitivity are changes which have seemed to have lessened the attractiveness of suburban regional shopping malls in the minds of many consumers.

Time Pressures

A necessary characteristic of a consumer culture is a lack of time (Needleman 1991). With an emphasis on goods and on the means to acquire them, individuals in a consumer culture often trade leisure time for higher incomes (Cross 1993). Schor noted in 1991 that, in the U.S., the time spent at work had increased steadily over the past thirty years. The growth in the amount of time spent by individuals in the workplace is even greater when viewed from a family or household perspective – the increased percentage of women and children in the workplace has led to an astounding increase in the overall time spent in the workplace by the members of a family (Gallun 1996).

Consumers are finding themselves temporally impoverished (Schor 1998) – they just simply do not have the time available to spend in shopping activities which they once had. Since most do not have the time to “shop ‘til they drop,” shopping has become much more purpose driven for many. This phenomenon can be seen by examining customer activity within suburban regional shopping malls. Although consumers’ average number of visits to suburban regional shopping malls have significantly dropped, as has the amount of time typically spent during a visit and the number of stores visited, the percentage of combined store visits resulting in a purchase has increased (*1998 National Benchmarks of Shopping Patterns* 1998). This information implies that consumers’ shopping trips are becoming more purpose oriented, and less leisure oriented, as would be expected in a time-pressured environment.

In today’s overall retail environment, many of the newer successful retailers and new retailing concepts are not

located in suburban regional shopping malls. Instead, they are often located in free-standing sites or in open-air centers – locations which possess greater appeal to the time-pressed consumer than do mall locations. To further exacerbate the problem, with many of the newer retailers and retail concepts locating outside of the suburban regional shopping mall, consumers are finding the best selections of some products outside of the mall, leading to further incentives for consumers to do their shopping outside of the mall (Shoulberg 1998).

Comparison Shopping

Another consumer trend which is spelling trouble for suburban regional shopping malls is growing price sensitivity. Increasing choice and the ability to make one’s income go farther (which, in essence, is equal to a pay increase) have proven to be strong forces pushing for increasing consumer price sensitivity. Although suburban regional shopping malls are not generally regarded as the low-price alternative by most, this fact in and of itself is not as damaging as is the nature of the layouts most commonly used in suburban regional shopping malls. Specifically, consumers’ increasing price sensitivity is leading to increased comparison shopping between retail establishments, something which the suburban regional shopping mall is not arranged to facilitate. Furthermore, this comparison shopping is undertaken within the context of the time pressures discussed earlier.

Ironically, suburban regional shopping malls were initially designed to facilitate comparison shopping. Within a mall, consumers are able to find a number of stores, many selling similar products, all under a single roof. Suburban regional shopping malls, however, are laid out to cater to a leisure-oriented market, in that similar stores are often located in different wings of the center in order to encourage consumers to travel through the entire center – and be exposed to as many stores as possible – in their quest to locate and compare products. “A customer who wants to comparison-shop for shoes has to walk from one end of the mall to the other, so she’ll have every chance to make an impulse purchase in between” (Coleman 2000, p. B1). Walking distances up to a quarter-mile between similar stores, however, is not consistent with many consumers’

definition of convenience today (Anderson et al. 1999). Indeed, consumers can often find it quicker to visit multiple stores located in open-air centers. Feinberg states "most malls are so large, consumers feel like rats caught in a maze of aisles, hallways, and stores" (Herr 1996).

In summary, it appears that zonal merchandising may offer benefits of value to the time-pressed, value-conscious consumer.

ZONAL MERCHANDISING

Zonal merchandising involves constructing the layout of a suburban regional shopping mall with the goal of maximizing consumer convenience, as opposed to maximizing customer interchange. In zonal merchandising, similar tenants are located within close proximity of each other, with the similarity based on either product (such as the clustering of jewelry stores at Rivertown Crossings in Grand Rapids, Michigan) or consumer lifestyle (such as that used at Park Meadows in Denver Colorado). A consumer then can visit the mall with a single product or need in mind, and visit all of the stores carrying those items without the need to travel throughout the entire mall. Although a mall layout based on zonal merchandising may appear revolutionary, it is based on the same principles which led to the development of the food court (Shoulberg 1998) which is, in fact, an example of product-based zonal merchandising. The convenience of having all the fast-food tenants grouped together in one section of a mall has increased the attractiveness of the mall food offerings to such an extent that the traffic-generating qualities of many food courts rival that of some traditional anchor stores. Moreover, most food tenants in food courts experience better levels of success than that experienced by food tenants when they were spread across the mall. Furthermore, Anderson, et al. (1999) report several examples of where zonal merchandising has been employed in Brazil with great success.

Zonal merchandising, however, does involve a fundamental shift in the way consumers shop in the suburban regional shopping mall.

Here's the downside of this deal (zonal merchandising) as I see it. One of the beauties of shopping experience has always been that the shopper has usually come to the mall with a specific purchase in mind. On her way to or from that store, or types of stores, she passes an entire retailing universe of other stores selling her other products. Maybe she wanted dress shoes, but ends up buying a necklace, some lipstick and, even perchance new set of towels.

Now, if she goes to the mall to buy those shoes, she parks near the shoe neighborhood, visits only that part of the mall and hightails it out of there ... in the process missing the jewelry stores, the makeup shops and missing all of the home stores. The very essence of what made the shopping center such a rich experience is in jeopardy of being destroyed.

It's a tradeoff, as most things in life are (Shoulberg 1998, p. 16).

Before the managers and/or developers of suburban regional shopping malls can seriously consider adopting zonal merchandising then, there must be an assurance that the concept will indeed make the shopping experience more attractive to the customers – so attractive that they will visit the mall more frequently and increase their overall mall expenditures.

Results of Past Research

An attempt has been made to determine the desirability of zonal merchandising to mall consumers. In their study, Anderson, et al. (1999) examined zonal merchandising from the perspectives of both product, where the tenants are grouped by product (e.g., all of the shoe stores are located in close proximity to each other), and lifestyle, where the tenants are grouped by the consumer lifestyles to which they appeal. Subjects were contacted via intercept in a suburban regional shopping mall and were asked questions on their mall shopping activity during which they were shown a diagram of the existing layout of the mall. Subjects were then presented with a revised layout of the same center containing the same stores, but the mall layout had been revised to depict either a product-based or a

lifestyle-based approach to zonal merchandising. Subjects were asked to indicate their level of agreement with attitude statements about the new layout and to predict what their relative shopping behavior would be given the new layout.

The findings reported by Anderson, et al. (1999) indicate that subjects presented with the mall layout based on a product-based zonal merchandising approach expressed significantly more favorable opinions than did subjects presented with a layout based on lifestyle-based zonal merchandising. When asked to predict how the revised layout would affect their shopping behavior, a majority of those presented with the layout based on product groupings indicated that they expected to visit the center more often and spend more money at the center. In summary, the findings indicated strongly that product-based zonal merchandising may have promise in increasing the number of visits consumers would make to the mall and in increasing the amount of money spent.

Although the results reported by Anderson, et al. (1999) indicated strong potential of success for product-based zonal merchandising layouts in suburban regional shopping malls, the results may have been biased. Specifically, during the time of the study, a major promotion event was underway at one of the center's primary anchor stores. It is logical to expect that the promotion event (as well as other major promotional events during the year) may attract customers who may differ from those attracted during nonpromotional times. The possibility exists, therefore, that the results observed by Anderson, et al. may not necessarily be pertinent to all of the center's customers, but to customers drawn to the center by the promotional event.

THE STUDY

The purpose of this study is to determine whether the findings observed by Anderson, et al. (1999) extend to consumers visiting a suburban regional shopping mall during non-promotional times.

METHODOLOGY

Sample

The sample was contacted via mall-intercept in the same suburban regional shopping mall used by Anderson, et al. (1999). (The suburban regional shopping mall, the dominant mall in its midwestern metropolitan area, has a continuing record of success). As with the previous study, individuals who did not regard the mall as one of their favorite places to shop, who worked at the mall and/or worked for a marketing research or advertising firm, were eliminated from consideration. The data collection was conducted in the same fashion as Anderson, et al. (1999). Customers were contacted at the same points in the mall, and the data collection was conducted on the same days of the week. Furthermore, the data gatherers received the same instructions and followed the same procedure. Efforts were made to replicate exactly the data collection of the prior study to facilitate valid comparison. The only difference between the two studies is that, in this study, none of the anchor stores had promotional events during the data collection. The time span between the two studies was four months. The final sample was comprised of 270 individuals, with 137 exposed to the product-based zonal merchandising layout and 133 exposed to the lifestyle-based zonal merchandising layout (explained below). Thirty-six percent of the sample was comprised of males, and 64 percent were females.

Questionnaire

The questionnaire employed replicates the methodology utilized by Anderson, et al. (1999). Participants were shown a diagram detailing the existing layout of the mall and were questioned about their planned shopping activities. Participants were then introduced to a revised layout of the mall containing the same stores, but configured to depict either a product-based zonal merchandising approach or a lifestyle-based zonal merchandising approach. Each individual was exposed to only one of the revised layouts. Participants were asked to rate the attractiveness of the revised layout and to indicate the extent to which they believed that the revised layout would affect their shopping behavior.

FINDINGS

Opinions expressed by subjects on the revised mall layouts based on product and on lifestyle zonal merchandising are presented in Table 1. The results reported by Anderson, et al. (1999) are included in italics to facilitate comparison. The findings appear to differ. Contrary to that observed in the previous study, where subjects presented with the revised layout based on product-based zonal merchandising reported significantly (at the .05 level) better attitudes toward the revised layout than those presented with the lifestyle-based zonal merchandising layout, very little difference was noted in the present study. In fact, the only statement on which a significantly (at the .05 level) difference was observed concerned the ease with which the stores could be located, and the difference was in a direction opposite of that observed in the prior study. No evidence was observed which would suggest that the findings observed by Anderson, et al. (1999) extend to shoppers who visit the mall in non-promotional times. More specifically, the results do not support the supremacy of a layout characterized by product groupings as opposed to one characterized by lifestyle groupings for shoppers who visit the mall in non-promotional times.

Subjects' predictions of their shopping behavior based on the revised mall layouts are displayed in Table 2. The results reported by Anderson, et al. (1999) are included in italics to facilitate comparison. Only one marginally significant (at the .1 level) difference exists. Subjects presented with the revised layout based on a lifestyle-based zonal merchandising reported a greater likelihood to increase their frequency of visits than were those presented with the product-based zonal merchandising layout. Although Anderson, et al. (1999) reported that subjects, particularly those presented with the revised layout based on product-based zonal merchandising, would most likely visit the mall more frequently and spend a larger dollar amount in the mall with the revised layout than the existing layout, similar results were not observed in the present study. Indeed, subjects exposed to the product-based zonal merchandising layout in the present study were more likely to expect their number of visits to the mall and the amount spent at the mall to decrease rather than increase over the existing layout.

DISCUSSION

The results observed in this study differed substantially from those observed by Anderson, et al. (1999). The magnitude of the differences in the results are surprising, particularly since the studies were conducted at the same mall with identical revised layouts. Given that there were no differences in the methodology used in the two studies, it appears that the mall may attract a different group of customers during times of promotional activity than those which it attracts during non-promotional times. It appears that these two groups of individuals have very different assessments of the attractiveness of alternative layouts based on zonal merchandising. The difference was most pronounced for the revised layout based on a product form of zonal merchandising.

The findings of Anderson, et al. (1999), therefore, do not appear to extend to customers visiting the mall during non-promotional periods. This casts some doubt on the attractiveness of zonal merchandising as an alternative configuration which can help suburban regional shopping malls compete against their non-mall competition.

Limitations and Suggestions for Future Research

This study suggests a number of areas for future research. First, since the present study and the initial study were both completed in the same suburban regional shopping mall, do the results observed extend to the customers of other suburban regional shopping malls? Furthermore, in what other ways do customers of suburban regional shopping malls, or at least the one studied, differ between promotional and non-promotional times? Do the promotional events attract a different type of customer to the mall? Are these shoppers more apt to do an appreciable amount of their shopping at retailers located outside of the mall than in the mall? Would an alternative layout be successful in increasing the percentage of purchases made in the mall? If these groups are truly different, what are the relative values of these two groups to the mall tenants? Or, in other words, which group should be the preferable target when determining the appropriate layout for a suburban regional shopping mall? In

TABLE 1
Comparison Between Attitudes on
Product-based and Lifestyle-based Zonal Merchandising Layouts

Attitude Statement	Product Layout Mean	Lifestyle Layout Mean	t-value	Level of Significance
I can find what I'm shopping for more easily.	5.69 <i>6.5833</i>	5.68 <i>5.6355</i>	.086 <i>8.79</i>	.932 <i>.000</i>
I can find a bargain more easily.	4.60 <i>6.4352</i>	4.87 <i>5.4019</i>	-1.23 <i>8.84</i>	.221 <i>.000</i>
The stores are harder to find.	3.91 <i>1.5648</i>	3.33 <i>2.5234</i>	2.37 <i>4.82</i>	.019 <i>.000</i>
The organization matches my shopping patterns.	4.64 <i>5.7407</i>	4.86 <i>5.2336</i>	-.955 <i>3.06</i>	.341 <i>.002</i>
It makes it harder for me to shop at this mall.	3.39 <i>2.6110</i>	3.35 <i>3.8224</i>	.137 <i>7.81</i>	.891 <i>.000</i>
It reduces the time I would spend shopping.	4.57 <i>2.8426</i>	4.80 <i>3.5701</i>	-.987 <i>4.84</i>	.325 <i>.000</i>
It increases the distance I walk when I shop.	3.78 <i>2.6667</i>	3.94 <i>3.8879</i>	-.667 <i>8.46</i>	.505 <i>.000</i>
It makes this mall a better place to shop.	4.73 <i>6.1667</i>	4.98 <i>4.9346</i>	-1.11 <i>10.78</i>	.270 <i>.000</i>

The results from Anderson, et al. (1999) are included in italics to facilitate comparison.

TABLE 2
Predicted Changes in Shopping Behavior by Type of Layout

Shopping Behavior	Mall Layout	Increase	Decrease	Remain the Same	Chi-Square	Level of Signif.
Frequency of Visits	Product	17.5%	21.9%	60.6%	5.268	.072
	Lifestyle	25.6%	12.8%	61.7%		
	<i>Product</i>	<i>69.4%</i>	<i>0.0%</i>	<i>30.6%</i>	<i>29.259</i>	<i>.000</i>
	<i>Lifestyle</i>	<i>33.6%</i>	<i>3.7%</i>	<i>62.6%</i>		
Amount Spent	Product	14.6%	27.7%	57.7%	.953	.621
	Lifestyle	24.3%	2.8%	72.9%		
	<i>Product</i>	<i>85.2%</i>	<i>0.0%</i>	<i>14.8%</i>	<i>80.806</i>	<i>.000</i>
	<i>Lifestyle</i>	<i>24.3%</i>	<i>2.8%</i>	<i>72.9%</i>		
Amount of Time Spent	Product	16.8%	32.1%	51.1%	.097	.953
	Lifestyle	10.3%	9.3%	80.4%		
	<i>Product</i>	<i>38.9%</i>	<i>13.0%</i>	<i>48.1%</i>	<i>27.171</i>	<i>.000</i>
	<i>Lifestyle</i>	<i>10.3%</i>	<i>9.3%</i>	<i>80.4%</i>		
Types of Products Bought	Product	21.9%	15.3%	62.8%	1.194	.551
	Lifestyle	19.5%	20.3%	60.2%		
	<i>Product</i>	<i>9.3%</i>	<i>0.0%</i>	<i>90.7%</i>	<i>10.211</i>	<i>.006</i>
	<i>Lifestyle</i>	<i>17.8%</i>	<i>5.6%</i>	<i>76.6%</i>		
Number of Stores Visited	Product	24.8%	23.4%	51.8%	3.572	.168
	Lifestyle	18.8%	33.1%	48.1%		
	<i>Product</i>	<i>24.1%</i>	<i>4.6%</i>	<i>71.3%</i>	<i>8.154</i>	<i>.017</i>
	<i>Lifestyle</i>	<i>36.4%</i>	<i>0.0%</i>	<i>63.6%</i>		

The results from Anderson, et al. (1999) are included in italics to facilitate comparison.

addition, do these groups of customers shop for the same products at the mall or do their needs differ to such an extent which will prohibit a mall layout to simultaneously address the needs of both groups?

Moreover, subjects were exposed to single operationalizations of product-based and lifestyle-based zonal merchandising. Given that multiple operationalizations are available, will individuals react to alternative operationalizations of product-based and lifestyle-based zonal merchandising differently?

Implications for Practitioners

If corroborated by further research, this study suggests that zonal merchandising may not be a remedy for all the ills being encountered by suburban regional shopping malls. It does not seem to offer an attractive alternative to individuals presently visiting the mall during nonpromotional times. Previous research, however, indicates that the value of zonal merchandising may be greater for individuals attracted by promotional events. The relative value of these individuals to mall-based retailers, however, is presently unknown. Since

individuals attracted by promotional events appear to favor product-based zonal merchandising, the potential exists that individuals who presently do not shop at suburban regional shopping malls may possess the same preferences. This should be the next area of research concern.

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