Chapter 5

Offline vs. Online
Quality Dimension:
The Relationship Between Shopping Mall Quality Dimensions and Customer Loyalty

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ABSTRACT

The study examines the nature and the strength of the relationship between shopping mall attractiveness, in the form of offline and online quality dimensions and customer loyalty. A survey was conducted on consumers of a shopping mall in Viterbo, Italy. In particular, this study aims to meet two objectives: (1) to identify, through factor analysis, offline and online shopping mall quality dimensions and (2) to analyze, through multiple regression models, the relationship between offline and online quality dimensions and customer loyalty. The regression models showed that both offline and online the quality dimensions have positive effect on customer loyalty. More precisely, all quality factors have a positive effect on loyalty, excluding internet browsing. This result contributed to the existing literature in understanding the importance of shopping mall attractiveness to develop customer loyalty.

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INTRODUCTION

Narahari and Kuvad (2017) defined a shopping mall as “a huge building or group of buildings that contain various stores and other business establishments (or) solely sells various products / brands in retailing mode. If it is a collection of multiple stores, they are connected by walkways so that consumers can easily walk and shop between the stores” (p. 3978). However, in recent years, shopping malls are gaining importance as a place of leisure, becoming an “onestop solution for various needs of the customers—from entertainment to buying daily groceries” (Ammani, 2013, p. 7). In today’s consumer culture, the shopping mall can be defined as “center of the Universe” (Feinberg and Meoli, 1991, p. 426) as demonstrated by numbers. In fact, the total shopping center floor space in Europe increased by 2.9% over twelve months to June 2017, reaching 160.8 million square meters. Western Europe currently accounts for 68% of the total built shopping centre space (Cushman & Wakefield, 2017). According to the International Council of Shopping Centers (ICSC), the shopping malls in the United States grew more than 300% over the last 45 years (Max, 2018).

Shopping Mall and the New Internet Oriented Strategies

Aliagha et al., (2015) suggested that “the implication of competition and increasing number of shopping malls is that customers find it easier with least cost to defect or switch to other malls particularly now most of the shopping centers are offering identical goods and services” (p. 16). In this domain, the implementation of strategies aimed at improving customer loyalty and retaining customers plays a crucial role for the managers of shopping malls. According to Wallace et al., (2004) customer loyalty generates a stable pool of customers for a product or a service of a firm; loyal customers tend to buy more, are willing to pay higher prices and have good opinion about the firm. For this reason, it is more convenient to retain customers than acquire them (Aliagha et al., 2015). Moreover, Keating et al., 2003 argued that loyalty is a key factor to achieve organization success and sustainability over time. According to Hallowell (1996), loyalty also favors positive word-of-mouth (WOM), relevant to generate profits. Since it is important to understand what are the attractiveness quality dimensions for a shopping mall that impact on customer loyalty, several studies have focused on this topic. Moreover, some authors (i.e. Yu et al., 2017) introduced a new dimension that should be analyzed in relation to customer loyalty: the Internet. In particular, Yu et al., 2017 proposed a model to investigate the interrelationship between the constituent factors of Chinese internet shopping mall, purchase satisfaction, customer loyalty and repurchase intention, focusing on the role of the shopping mall website.

However, the relationship between website factors in the internet shopping mall and customer loyalty has not been widely studied, and this research aimed to fill this gap. The study examines the nature and the strength of the relationship between shopping mall attractiveness (the latter classified for dimensions of quality in offline and online services) and customer loyalty, based on a survey conducted on consumers of a shopping mall in Viterbo, Italy. In particular, this study aims to reach two objectives: (1) to identify, through factor analysis, the offline and online shopping malls dimensions of quality (2) to analyze, through multiple regression models, the relationships between offline and online dimensions of quality and customer loyalty. Then, the methodology used will be outlined and the results will follow.