



**Faculty of Social Sciences and Humanities**

**Facility Management and Customers' Perceptions Towards  
Shopping Mall in Johor Bahru**

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Facility Management and Customers' Perceptions Towards Shopping Mall in  
Johor Bahru

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## DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Malaysia Sarawak. Except where due acknowledgements have been made, the work is that of the author alone. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.



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## ABSTRACT

Shopping malls are undeniably vital in the lives of modern society, especially for those who live in urban and suburban areas. It is a place to get various services and products such as clothing, food, school supplies, beauty products, groceries, entertainment, and more. In addition, it is a place to connect intimate relationships with family, friends, and loved ones by eating, shopping, and playing together. With an appropriate implementation of the facility management concept, a shopping mall will be able to fully exploit its function by providing adequate facilities, maximising profit, supporting the operation, and fulfilling customers' demands. The main objective of this study is to assess the level of satisfaction of the shopping mall customer based on the three maintenance aspects of facility management that include functional, technical and image. A survey is conducted with a total sample of 200 respondents from the population of shopping mall visitors, as well as an observation for the facilities and services provided. Paradigm Mall Johor Bahru was chosen as the setting for this study because it is a well-established shopping mall that has many visitors from all over Johor Bahru. The findings show that most customers are satisfied with all three of the maintenance aspects of the shopping mall. Several issues in the shopping mall and their solutions have been identified too.

**Keywords:** Facility management, shopping mall, customer, perception, Johor Bahru.

# ***Pengurusan Fasiliti dan Persepsi Pelanggan Terhadap Pusat Beli Belah di Johor***

***Bahru***

## ***ABSTRAK***

*Pusat beli-belah tidak dapat dinafikan penting dalam kehidupan masyarakat moden, terutamanya bagi mereka yang tinggal di kawasan bandar dan pinggir bandar. Ia adalah tempat untuk mendapatkan pelbagai perkhidmatan dan produk seperti pakaian, makanan, peralatan sekolah, produk kecantikan, barangan runcit, hiburan, dan banyak lagi. Selain itu, ia adalah tempat untuk mengeratkan hubungan silaturahim bersama keluarga, rakan-rakan dan orang tersayang melalui aktiviti makan, membeli-belah dan bermain bersama. Dengan pelaksanaan konsep pengurusan fasiliti yang sesuai, pusat beli-belah akan dapat berfungsi sepenuhnya melalui penyediaan kemudahan yang mencukupi, memaksimumkan keuntungan, menyokong operasi dan memenuhi permintaan pelanggan. Objektif utama kajian ini adalah untuk menilai tahap kepuasan pelanggan pusat beli-belah berdasarkan tiga aspek penyelenggaraan pengurusan fasiliti yang merangkumi fungsi, teknikal dan imej. Satu survei telah dijalankan dengan menasarkankan sejumlah sampel seramai 200 orang responden daripada jumlah populasi pengunjung pusat beli belah, serta satu pemerhatian bagi fasiliti dan servis yang disediakan. Paradigm Mall Johor Bahru dipilih sebagai lokasi kajian ini kerana ia merupakan pusat beli-belah yang disegani dan mempunyai ramai pengunjung dari seluruh Johor Bahru. Dapatan kajian menunjukkan majoriti pelanggan berpuas hati untuk ketiga-tiga aspek penyelenggaraan pusat beli-belah. Beberapa isu di pusat beli-belah dan penyelesaiannya juga telah dikenal pasti.*

***Kata kunci:*** *Pengurusan fasiliti, pusat beli belah, pelanggan, persepsi, Johor Bahru.*

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## LIST OF ABBREVIATIONS

3R	Reuse, Reduce, Recycle
ATM	Automated Teller Machine
BIFM	British Institute of Facilities Management
CCTV	Closed-Circuit Television
CP	Customer Perception
CSC	Cleaning Staff and Cleanliness
FM	Facility Management
FMA	Facility Management Association of Australia
GEFMA	German Facility Management Association
IFMA	International Facility Management Association
IOT	Internet of Things
JFMA	Japan Facility Management Association
MAFM	Malaysian Association of Facility Management
MBJB	Majlis Bandaraya Johor Bahru
MCA	Management of Common Areas
MMCF	Maintenance of Communal Facilities
NAFAM	National and Facility Management Convention
NAPIC	National Property Information Centre
NIOSH	National Institute for Occupational Safety and Health
PMO	Property Management Officers
PMS	Performance Measurement System
PMS	Property Management Services

PRO	Promotion
POE	Post-Occupancy Evaluation
SG	Security Guard
SS	Security Services
WR	Wash Room



# CHAPTER 1

## INTRODUCTION

### 1.1 Purpose of study

The main purpose of this study is to emphasize the idea of facility management and shopping mall which focuses on determining customer perception. The problems that prompted the author to conduct this study were the issues that still arise regarding facilities and services in shopping mall, as well as the lack of previous research on Post Occupancy Evaluation (POE) of the built environment in commercial facilities (shopping mall) by relating facility management components. Hence, this whole thesis will discuss and explain more to achieve the main purpose.

### 1.2 Introduction

An organization or institution sure needs an adequate and suitable environment to work with functional facilities such as an elevator, escalator, toilet, prayer room, powder room, pantry, canteen, stairs, and others. It is just not for the working environment but also crucial for retailers to attract more potential buyers. Today, the trend in shops and shopping have switched massive interest to shopping mall rather than local high streets or individual shops among people. This is because shopping malls used to have conducive conditions for nature's call, prayer, and seat when visitors are tired of shopping, and they are commonly air-conditioned. Hence, this reflects the importance of facilities management services particularly in a shopping mall because it operates daily to support the process of supply and demand between buyer and seller. This study is to explore more about how facilities management can help to operate a large retail centre like a shopping mall. However, before

that, there is also a need to evaluate customers' impression of the quality of facilities management activities which will discuss in the next part.

### **1.3 Background of Study**

Retailing services today have become an increasingly competitive market that brings a contribution to the economy. Based on the Department of Statistics Malaysia (2020), the number of establishments for the wholesale and retail trade sector in Malaysia for 2018 is 469,024 as compared to 370,725 establishments in 2013 with a yearly growth of 4.8 percent. Hence, the significance of retailing services has become attention to put up for. Roozen and Katidis (2019) revealed in their research work that the service and shopping customer experience are relevant in a retail environment as customer satisfaction, loyalty, and intention to recommend are influenced by service and shopping experiences. To simplify, a negative retailing service experience in a store or shopping mall could affect the attraction to the premise. Not just that, it would cause damage to one's business image. A pragmatic step needs to be taken to conceal the possibility of such risk.

Before going any further, there is a necessity to explain about shopping malls. Generally, a shopping complex or shopping mall has become a big retailing centre and the best solution to make it easier for people to just visit one place with all services they could get. Most websites on the internet will list the Galleria Vittorio Emanuele II in Milan, Italy from the year 1877 as one of the world's oldest shopping malls. Meanwhile, Feinberg and Meoli (1991) mentioned in their study that shopping malls had their birth in the 1920s in California where supermarkets would anchor and serve as a magnet for a strip of small-scale stores. However, the pivotal part is the history of shopping mall indicates that shopping mall

was initially envisioned as a community center where people would congregate for shopping, cultural activity, and social interaction.

There are 1,064 existing business complex buildings registered which offer a total retail space of 17.51 million square meters in Malaysia (Jabatan Penilaian dan Perkhidamatan Harta, 2022). The stock comprised 554 shopping malls, 272 arcades, and 238 hypermarkets. Major cities often obtain attention to grow the number of shopping malls as the increasing demand from urban dwellers. It has become one of the tourism agendas too by the Ministry of Tourism, Arts and Culture of Malaysia which depicts the importance of them to the economy. As for Johor Bahru city, the established shopping malls are Paradigm Mall JB, Angsana Johor Bahru Mall, Galleria@Kotaraya, Toppen Shopping Center, Mid Valley Southkey, and Johor Bahru City Square. Johor Bahru also has been identified by the Tourism Malaysia as one of the country's top shopping destinations in 2015 (Azmi et al., 2019). Therefore, the shopping mall has become one of the service sectors that acquires customer satisfaction which was discussed earlier on how crucial to preserve the capability and aptitude of it to the potential customer.

Operation and management of a place influence the outcome in performance, comfortability, congeniality, and pleasantness in an organization or institution. Specifically, in relating the importance of adequate facilities for shopping malls, various studies have been conducted to connect it with facilities management. There have been a lot of changes in the way facilities management is regarded within the retail environment over the years. With suitable and relevant facilities, the operation would be functional as well as beneficial. This explains the step that needs to be employed in undertaking the possibility risk mentioned previously in the first paragraph, which by implementing the idea of facility management. In terms of the manufacturing sector, Kovacs, and Kot (2017) disclosed that

reducing the operational costs of companies and improving the performance of production lines could be done through effective facility planning significantly in their research. As for the context of retail, shopping mall helps to serve the customer with high satisfaction and to enhance core business through that indirectly (Noor & Pitt, 2010). To be exact, facilities management is the backbone to support every operation so that the shopping mall can fully perform its function efficiently.

According to Sari (2018), facility management includes a variety of multidisciplinary proficiency in architecture, civil engineering, behaviour, accounting, management, and so on. Thus, there are many stakeholders involved in the management of a shopping mall such as a landlord, retailers, managing agents, subcontractors, local authorities, and emergency services. In this case, the increase in the number of shopping malls would summon intensive competition among them, acquiring the mall management to thoughtfully consider approaches and schemes to step up their game in attracting more shoppers (Wong & Nair, 2018). By this, particular skills and systems that meet the necessities are required to deliver good facility services which mainly focus on cleaning, security, and maintenance.

Facilities management is not just about how to create a cohesive environment to carry out an organization's primary operations but also highlights issues, for example, faulty air conditioning, broken escalator, a leak in the ceiling, non-functioning elevators, and unclean areas, particularly the toilet. These are all some of the factors that pull in customers or shoppers to the shopping mall. To safeguard the interests of the shopping mall, the Malaysia Shopping Malls Association was formed in 1984 (MSMA). The main role of MSMA is to ensure that professionals in shopping and high-rise complex management maintain the highest degree of quality in the spectrum of:

- a) facility management
- b) security and safety
- c) car park and traffic management
- d) advertising, promotions, and event management
- e) public relation
- f) financial management
- g) human resource management
- h) visuals and merchandise displays
- i) legal and off administration

From the list, facility management has been outlined as the first crucial spectrum for shopping and high-rise complex management by the Malaysia Shopping Malls Association (MSMA). Thus, this significantly supports that facility management is a part and parcel of shopping mall operation and management. This statement can be strong evidence for the need for this study.

Even though there are many shopping malls in Malaysia which up to 700 by the end of 2019, they are more adaptable to economic swings, often creating moderate growth, although other types of properties such as offices and hotels may struggle (Ahmad, 2018). He took the statement from the Sunway Malls & Theme Parks chief executive, Chan Hoi Choy, which explains to the public question why developers persevere in building more despite the abundance. This shows how shopping malls would bring great profit to the developers. It is just about how to preserve and maintain the functionality to stay relevant to the customer. Apart from that, Noor and Pitt (2010) also mentioned that one of the first initiatives to solve existing and future challenges in the management of national assets and facilities, which mainly to increase awareness on facilities management, was at the first

National and Facility Management Convention (NAFAM). Hence, this study would also stress the vital role of facility management in an organization, business, or institution.

#### **1.4 Problem Statement**

This study argues that the level of customer satisfaction towards facility management in shopping malls is influenced by three factors which are functional, technical, and image. The three factors came from the maintenance aspect of facility management service which were utilised for assessing the satisfaction of customers. Facility management can be endorsed as a pivotal guideline for shopping malls because past studies have suggested it is a best practice to overcome management and operation issues. Moreover, there is a lack of previous studies about facility management and shopping mall which focuses on determining customer perception. Concerns or issues regarding facilities and services in shopping malls also continue to surface to this day. Thus, this study seeks to comprehend the potential approach to shopping mall management.

One of the goals of this study is to highlight the issues or common problems regarding the operation and management of shopping malls. For example, a mall in Florida once exploded before this, suspected due to a gas leak that causes up to 20 visitors injured ("*Pusat beli-belah meletup*", 2019). The explosion is reported due to the carelessness of the technician taking immediate action to dispatch to the place. This is a very concerning issue because it involves human life. Meanwhile in Malaysia, one of the common problems that customers have to deal with is being trapped in the elevator. According to a piece of online news, Astro Awani, there was a case of 15 visitors trapped for almost 15 minutes when the elevator broke down in a shopping mall at Alor Setar, Kedah ("*Pengunjung pusat beli-belah terperangkap dalam lif*", 2019). Consequently, this causes panic in them and may lead to

trauma. The accident was reported to have been caused by a technical problem with the lift itself as that was the first time the shopping mall encountered such a case.

Another typical case in a shopping mall is an accident in the escalator. Poor maintenance care of escalators would lead to a higher risk of danger. Some cases cause broken arms, legs, or even death. A 49-year-old Chinese man trapped his leg in an escalator at a shopping complex along with Jalan Tuanku Abdul Rahman which causes him to suffer a broken leg ("Man suffers fracture after leg gets stuck in escalator", 2019). These unfortunate cases have received attention from the authorities, but they cannot do much. The Chairman of the National Institute for Occupational Safety and Health (NIOSH), Tan Sri Lee Lam Thye said that the management of the shopping complex has the responsibility to ensure that the maintenance of the escalator is carried out periodically (Zainuddin, 2016). Perhaps the same cases keep repeating because of the ignorance of the shopping mall management.

Not just that, concerns regarding shopping malls have been in a variety of journals and studies too. For example, Overstreet and Clodfelter (1995) researched on safety and security concerns of the shopping mall. The results revealed that shopping mall customers are likely concerned about their security outside the mall where the concern level is related to high precautionary behaviours, especially about parking lot security. Moreover, issues of servicescape (a concept to emphasize the implication of the physical environment in which a service process take place) in shopping mall such as dysfunctional closed-circuit (CCTV), fewer parking spaces, unattractive layout, lack of proper signage, and lack of ambience will eventually lessen the number of customers of shopping mall based on Juhari, Mohd. Ali, and Khair (2012). The study also depicts that the problems can affect customer satisfaction

because the internal and external environments of a shopping mall are very much significant to attract them.

On the other side, Gupta, Mishra, and Tandon (2020) disclosed that the determinants such as customer value orientation, employees, tenant mix, and facilities management are crucial benchmarking measures for customer experience assessment. Simplifying these, issues in shopping malls will affect the level of satisfaction in a person. They also could change the perception and preference of a shopping mall. Meanwhile, research done by Kuruvilla and Ganguli (2008) revealed the major problems of mall management which include lack of planning, improper control over the tenant mix, high rentals or maintenance charges, and the inability to understand customer behaviour. Conjugating all these elements will bring back to the main core of facility management which are people, process, place, and technology. They need to have an effective interrelationship as to complete each other and increase the building's performance.

People nowadays can see the ratings or reviews on websites about a place if they plan to go there such as Google Review, TripAdvisor, Facebook, and Amazon. In this way, it is more convenient and easier for them to make any decision regarding a place. As for this study, the problems encountered by the visitors of shopping malls can be determined too via the related websites. For example, there are concerns from Google Review regarding Paradigm Mall JB that were outlined by the shopping mall visitors as Table 1.1 (surfing on 19 March 2021). This shopping mall is highlighted in the problem statement because it is chosen as the main venue to conduct the study.