The cooperation between retailers and the centre management of shopping centres

Introduction

The competition between shopping areas is increasing (Howard, 1997, p. 265; Burns K.B. et al., 1997, p. 100; Dennis et al., 2002; Jones Lang LaSalle, 2010, p. 3; NRW, 2010, p. 11). Retailers are seeking for solutions to increase their turnover, which have become under pressure by various developments. These developments are:

- The fall of spending in shops as a consequence of the economic crisis (Q&A Research & Consultancy, 2010, p. 16).
- This effects the turnover of the retailers and their cooperation to pay the rent of their stores.
- The huge amount of new developed retail stores last years (Q&A Research & Consultancy, 2010) which increased the competition between retailers and retail areas.
- The changing consumer caused by the world wide web (Q&A Research & Consultancy 2010, p. 95), increased mobility (Kirkup en Rafiq, 1994, p. 246) and increased awareness of sustainability (Jones Lang LaSalle, 2011, p. 5).

Retailers face problems to adjust to these changes.

- The adjustment of the population structure due to the aging population and migrations (Q&A Research & Consultancy, 2010, p. 14) influence the amount of visitors to certain shopping areas.

A possible way to increase the retailer’s turnover could be increased cooperation between the shopping centre management and retailers.

Main research question

What are the possibilities for intensified cooperation between the shopping centre management and the retailers in the field of sharing information, service quality and marketing in existing shopping centres?

Conclusions

Overall the retailers and centre management are not convinced to cooperate with each other. The basic condition for cooperation is insight in the surplus value of the cooperation and when applicable for retailers, the permission of the head office. It depends on the kind of cooperation if these aspects are present. The evaluation of the attached risks of the cooperation is influenced by the amount of trust in each other. The more trust is present, the smaller the risks are evaluated.

In the field of sharing information and the collective service quality in the shopping centre are opportunities to cooperate more intensively. Currently there is little information shared by retailers, while they indicate that they are willing to share information. There is clearly an opportunity to intensify the information sharing so that shopping centres can be managed more effectively. The retailers don't want more involvement of the centre management in the service quality of their stores. They do not realise the added value. There remain only cooperation opportunities for the collective improvement of the service quality in the public space of the shopping centres. Examples are free WiFi, additional seating or background music. On none of the proposed cooperation possibilities in marketing both parties are willing to cooperate. The retailers don't realise the added value of this kind of cooperation.

Cooperation in sharing information should be created by a sincere and interested conversation and a common view of cooperation in the field of information sharing should be established. Both parties shall remain as much independent as possible. The retailers are not prepared to sign a detailed contract to agree on the cooperation but are prepared to sign a letter of intent in which all parties promise to participate and keep certain engagements. The centre management does agree that something should be signed.

Sharing of information

- The retailers and the centre management are willing to share more information than they do at this moment.
- The centre management is already sharing more information with retailers, than retailers do with the centre management.
- The centre management is more willing to share information about the shopping centre than retailers are willing to share information about their stores.
- Both parties are reticent to share turnover information.

Trust

The centre management and the retailers base their trust in each other on other aspects. The willingness to cooperate is basically determined by the surplus value and in case of some retailers permission of the head office. When the surplus value is realised and there is when needed permission of the head office to cooperate, the centre management and the centre management evaluate the attached risks. If no risks are recognized the parties are willing to cooperate. If risks are recognized the amount of trust influences the assessment of the risks. The more trust is present, the smaller the risks are judged.

Emperical study

Relationship quality according to the centre management and retailers

Trust of the centre management in retailers

Trust of the retailers in the centre management

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<tr>
<th>Experience</th>
<th>Centre management</th>
<th>Retailers</th>
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<td>Presence of trust</td>
<td>Ability</td>
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Literature