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## Not in the Shopping Cart - On the experiential aspects of retail shopping centers

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# **Not in the Shopping Cart**

## **-Experience and entertainment attributes of retail shopping centers**

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### **Abstract**

It is not hard to imagine that consumers value not only what they have bought in a store and can take home with them, but also the experience that was entailed in the actual purchase. The aim of the study is to investigate and explain what experiential factors influence Swedish shopping center consumers' willingness to pay. Experience enhancing features are defined to include, but not be limited to, cinemas, bowling alleys, libraries and museums. Preliminary estimations, and anecdotal evidence, indicate that the experiential aspect of shopping plays a limited role in explaining the turnover of Swedish shopping centers and that this differs somewhat from previous estimations from other countries. A higher degree of common areas and frequency of restaurants in a shopping center, which can plausibly be thought to enhance the shopping experience and provide an arena for activities such as musical performances is however found to have a significant impact on turnover.

**JEL Classification:** C21, D12, L81, O18, R10.

**Key words:**

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## **Introduction**

In today's highly competitive retail markets, the recreational aspect of retailing is increasingly being recognized as a powerful competitive tool. Within the research literature you find consistent evidence in favor of that consumers not only go shopping to bring home a merchandise, but also for experiential, emotional and entertainment reasons (Belk 1975; Langrehr 1991; Jones 1999; Arnold and Reynolds 2003). Consequently people typically shop for both hedonic, or recreational purposes.

To remain in the market, retailers today can do more than compete on value or quality; they must also provide consumers with a bundle of benefits that provide enjoyable experiences creating pleasant shopping environments. Transforming shopping into a pleasurable experience in entertainment-oriented settings has thus become a common differentiation strategy among retailers (Jones 1999), and retail stores are increasingly adding entertainment services to the traditional retail mix. Various services, such as events, cinemas, and dining have been upgraded from bonus activities into core components of the overall retail supply. By providing pleasurable and entertaining shopping experiences, these extra services aim to provide extra value to consumers (Kumar and Karande 2000). The ability to generate these experiences is a competitive advantage for retailers because entertainment have been associated with several important retail outcomes such as spending levels, time spent in stores, impulse buying, and willingness to visit a store again (Donovan and Rossiter 1982; Donovan, Rossiter et al. 1994; Wakefield and Baker 1998). By adding entertainment to the traditional retail setting, retailers can thus differentiate themselves from their many value-oriented competitors (Jones 1999; Kumar and Karande 2000; Beyard, Braun et al. 2001; Turley and Chebat 2002).

It is especially in the US that the spread of shopping and leisure centers have had a significant impact. Many of these have become tourist attractions and community centers as a result of spectacular architectural features and synergies among retailing, eating, and entertaining (Beyard, Braun et al. 2001). In Sweden, the influence of retail and entertainment is becoming increasingly important in retail development. A version of Mall of America is soon to be established in Sweden, Mall of Scandinavia, where you will find a combination of multidimensional entertainment experiences.

The above discussion highlights the fact that shopping centers currently is undergoing a phase where experiences and entertainment is put to focus when it comes to increasing the sales levels.

The aim of the paper is thus to estimate whether or not entertainment related establishments in shopping centers<sup>3</sup> contributes to increased sales levels. The hypothesis is thus that; *A higher entertainment value in the shopping centre raises total sales.* The study examines data from 210 shopping centers across 73 Swedish regions<sup>4</sup> applying a cross-sectional method. The dataset in itself is unique since it covers all available centers of these types in a country. Furthermore, there has been very little academic research done across different malls that lends support to the arguments about the substantial benefits provided by entertainment characteristics on centre sales levels. Most of the available research studies are those done on individual malls which have primarily dealt with the amount of patronage at the entertainment centers and the mall in general, and the overall draw of the mall (Bellenger, Greenberg et al. 1977; Wakefield and Baker 1998; Christiansen, Comer et al. 1999; Kang and Kim 1999).

The results are ambiguous, with some experience related variables showing a positive and significant impact on sales levels, while others gives the opposite result. While the amount of restaurants and common space offered at the center helps increase its sales levels, pure entertainment establishments such as bowling alleys and cinemas decreases the turnover. *This is in line with XXXX research....*

The structure of the paper is as follows: the theoretical background defines and describes the evolvement of shopping centers. This is followed by a discussion regarding shopping as a public good and thereafter the entertainment value and the impact it has on the shopping center industry. Followed is the presentation of the methodology, data and descriptive statistics whereby a model is constructed. The final sections comprise of a presentation of the results in combination with the analysis and the conclusion.

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<sup>3</sup> By shopping centre the authors include four types of centers; regional shopping centers, external shopping centers, theme centers and city malls. See appendix for further definition of the center types. A discussion on why these center types are chosen is presented in the empirical section.

<sup>4</sup> With region the authors refers to municipal data.

## Theoretical Background

First introduced in Europe and later primarily developed in the US, shopping centers are today prevalent in cities all around the globe. The centers have become a distinguishing feature of the modern urban landscape. The birth of shopping centers have changed consumers' spatial shopping behavior, transformed the patterns of access within the city and its surroundings as well as contributed to the growth of the large (multi-) national chains. Noticeable is that shopping centers are distinctly different from the other two major shopping locations; the city centre and local business strip. The shopping centre building is pre-planned as a merchandising agglomeration unit for interplay among tenants. Its site is deliberately selected by the developer for easy access to pull customers from a market area.

A retail agglomeration can be either a homogenous or heterogeneous duster of stores. The two dominant theories explaining the rise of such agglomerations is the Central Place Theory (Christaller 1966) and the Principle of Minimum Differentiation (Hotelling 1929). That heterogeneous retailers forms clusters can be explained by the Central Place Theory through its ideas of lowering transportation costs by applying multi-purpose shopping behavior. The consumers' choice of retail location is a function of the price of the demanded good and the search and transportation costs associated with the purchase. When stores are clustered the consumer obtains an initial travel sunk cost but once at the sight the visits to any store at the cluster location will occur at very low costs; the consumer enjoys scope economies in search. Co-location obviously leads to fiercer competition, however, is assumed to be compensated by the increased demand when rational consumers choose the cluster location over a single store establishment. Clusters of homogenous retailers are, however, best explained by the Principle of Minimum Differentiation. When the transportation variable is eliminated as a competition factor due to clustering, retailers are left to compete in regards to quality and price of products. If homogenous stores are being clustered consumers can take advantage of the possibility of comparing products at a cheap cost. Retail agglomerations in the form of shopping centers also provide a range of public services and facilities, services which would not be available if the retailers were scattered as single store units, since the total cost of these services are split among the centre tenants (Oppewal and Timmermans 1999; Shun-Te Yuo, Crosby et al. 2003). The benefit of split cost has been especially important when incorporation experiential factors in the development of shopping centers

All retail clusters are however not defined as shopping centers. The most common and recognized definition of a shopping centre is formulated by the US Urban Land Institute (ULI)(1985). According to ULI (1985) a shopping centre is defined as;

*"A group of commercial establishments, planned, developed, owned, and managed as a unit, with off-street parking provided on the property and related in location, size (gross floor area), and types of shops to the trade area that the unit serves - generally in an outlying or suburban territory."*

Also within the shopping centre definition<sup>5</sup> the centers and malls are different in both form and size, ranging from the smallest residential area shopping centre up to massive regional shopping centers. The different classifications of centre types are based on the size of the centre, its function and the tenant mix. One could however, also categorize the shopping centers by its location and organization structure. Table 1 below shows such a division.

**Table 1: Shopping center categories**

Location			
Organization		City Centre	Suburb
	Individual Store owner	High street located store	Trading center
	Coordinated and planned ownership	City mall (community SC, district SC)	External center Regional center Retail park

All of the various categories of shopping centers' have experienced a substantial growth process in terms of both numbers, sales area and sales revenue in recent decades. A thorough understanding of what makes a centre successful<sup>6</sup> is therefore essential.

A further important dividing line between a shopping center or mall and traditional high street or inner city shopping is the implications for competition. We can assume that in an inner city setting real estate will fall in the hands of the entrepreneur with the highest willingness to pay for

<sup>5</sup> See Table AX.X in appendix for definitions.

<sup>6</sup> Both the Urban Land Institute (ULI) and the International Council of Shopping Centers (ICSC) measure shopping centre performance in terms of non-anchor retail sales per square foot.

the given property. This system, closely resembling perfect competition, will in most instances lead to name brand stores, exclusive boutiques et cetera occupying the prime real estate in any given inner city due to their ability to cover high rents. Some level of planning may of course occur here too, one can for instance imagine that even the greediest of landlords may be reluctant to lease a prime property to a brothel or exotic dance venue. But there is no guarantee that two very similar shops, catering to the same customer base, will not be located adjacent to each other thus inviting cannibalization. In general, we can assume that the spatial allocation of stores and retail venues will be dictated by a competitive structure without any major obstacles. The rents of these venues will then be at the market equilibrium, save for imperfections such as lagging long term contracting.

In contrast to this we observe the shopping center or mall. In this setting competition plays a rather modest role when compared to that of planning. A single real estate owner will in most instances control the entire entity and thus have complete control over which stores are to be allowed in. We assume that this real estate entrepreneur is a rational and profit maximizing individual and that his choice of vendors in any given shopping center will reflect this. One should note however that this does not necessarily imply charging the maximum rent the vendors will be willing to pay.

At least three aspects of the planners choice will be of importance; competition, synergies and attractors. The competitive aspect explains why you are unlikely to find two very similar stores adjacent to each other in a shopping center. Note that this does not imply that there will never be more than one store of each type in a shopping center. One can for example imagine two athletic apparel stores with overlapping, but not identical assortments. One can further imagine that this is linked to the second point, synergies. An ingenuous planner may well recognize that customers may appreciate the convenience of having a large assortment while at the same time enjoying the variety of multiple stores. Going into even more detail, planning may also involve spatial aspects within a given shopping center. Examples include placing an attractor, or anchor, store relatively *deep* in the shopping center, thus prompting shoppers to pass by a number of less attractive stores on their way there and possibly be lured in.

## Shopping as a public good

Generally, and trivially, we define a public good to be one that is non-rivalrous in consumption and non-excludable in use (Samuelson, 1954). As thousands upon thousands of teenagers all over the world can surely attest, the communal areas of a shopping center will often possess these characteristics. Shopping centers are of course in no way, pure public goods. On a crowded Saturday, most shoppers will likely feel quite rivaled in their shopping experience. It is also not unreasonable to imagine a screaming drunk being excluded from the shopping center experience. Nevertheless, thinking about shopping centers as public goods can help deepen our understanding of not only shopping centers in general but also of the components from which they are made up.

In theory one could use this line of thinking to derive an optimal level of communal space in any given shopping center. One issue that arises in that context is the individual willingness to pay for these amenities. It is not an unreasonable assumption that communal space and the like will be valued higher by those that have the time to enjoy it. In general this group will be dominated by younger persons, those who are unemployed and the elderly. Besides their appreciation of communal space, these groups will likely share the common feature of having a quite restrictive budget constraint.

On this ground it is not trivial to derive the aforementioned optimal level of communal space. Those who value this space may in fact spend little or no money in adjacent stores whereas those who do spend money pass quickly through these areas. One can however also imagine that parents of younger children could value for example supervised playgrounds, that would allow them to pursue their shopping needs uninterrupted. Or that children may play a role in the choice of which shopping venue to visit.

Closely linked to the concept of public goods is that of externalities. It is not hard to imagine that a shopping center may provide its surroundings with both positive and negative externalities. While not perhaps aesthetically pleasing, many consumers seem to agree that proximity to amenities, such as shopping centers, is an important factor when deciding on residential location, thus in affect positively affecting real estate prices. An argument can be made that this has led to suburbanization, but one should thread carefully when arguing this causation. Further, there are numerous examples of shopping centers themselves becoming tourist attractions. One can imagine that these visitors will earn revenue not only to the shopping center, but also to adjacent cities or other activities in the nearby area.



## The entertainment value of shopping centers

It is important to differentiate between *experience goods* on the one hand, and *experiences as goods* on the other hand. The first category entails physical goods that endow us with some form of experience when consuming or purchasing them, e.g. buying and consuming a bottle of wine. The second category deals with the pure form of experiences. Classic examples are attending a concert or visiting a museum. No physical evidence is rewarded from this type of consumption, bar for perhaps a ticket or program, and yet we spend large sums of money on these types of distractions. The act of shopping entails both of these types of experiences. The actual shopping is a pure form of experience for the consumer. However, shopping generally also leads to purchasing of goods who in their turn may provide the consumer with various types of experiences. In this analysis we will almost completely disregard what the consumer experiences or consumes once he has left the shopping center.

A somewhat different approach to the matter comes from the seminal work by Nelson (1970) who proposes that the issue is one of pricing and search for information. He suggests that a division should be made between goods that allow the consumer to evaluate their price and quality *ex ante* by means of searching for information and those that can only be evaluated *ex post* by means of actually sampling, or experiencing, the good in hand. With the advent of ICT the borders between these two categories have become somewhat blurred. One example of this is websites where consumers can review stores or shopping centers they have visited, thus in essence transforming what was previously an experience good into a search good.

Thus in the context of shopping malls it is important to note that the act of shopping is also a highly differentiated good. Differentiation of goods can be observed both in a horizontal and in a vertical manner. Vertical differentiation entails actual measureable differences in quality between goods. The difference between a Skoda and a Rolls-Royce would be a typical example of this. A horizontal differentiation on the other hand need not entail any difference in quality level, but rather in the characteristics of the good at hand. The numerous varieties of breakfast cereals are a typical example of such differentiation. A shopping experience can likely be differentiated along both these axes. A clear quality difference can exist between a rundown suburban mall and an exclusive downtown galleria while the same exclusive galleria may have a competitor in the same area at an equal quality level but catering to a different audience.

A process of goods or services becoming more differentiated over time can aptly be described as one of increasing complexity (Puu, 2000). In the context of shopping this is most likely not a linear evolution. One can for example argue that a pre-industrial system of each craftsman

having his own store, such as is still true in many parts of Southern Europe, gives a highly differentiated shopping experience. In contrast to this the first malls that appeared in the mid 20<sup>th</sup> century were most likely rather generic

(Insert figure, evolution of differentiation)

Parts of the modern shopping experience will likely be of dis-utility, such as carrying heavy bags, while others such as visiting a food court may provide us with great pleasure. Our interest lies in understanding how consumers demand the experiential characteristics of visiting a shopping mall. A differentiation should also be made between the experience the shopping center itself lends to the consumer and the experience of the actual purchasing, which may take place in any location. In light of this a suitable empirical approach must be able to address demand for characteristics rather than for compound goods. One such approach is the classic Lancaster (1966) characteristics approach. Another one the equally renowned Hedonic approach, first and foremost accredited to Rosen (1974).

### **The entertainment value as a competition factor**

Over the years shopping have become a crucial element of peoples life's and is currently one of the most important social activities that people engage in (Goss 1993). Larger and larger shares of this consumption takes place in shopping centers. In Sweden approximately one third of all consumption is taken place in these kinds of retail agglomerations (Svensk Handel). Within the Swedish retail industry the larger shopping centers have developed to become more and more multifaceted both in regards to range of goods available and their images. The commercial landscape is consequently full of shopping centers who all struggle to get their piece of the consumers' wallets. A distinguishing feature in order to differentiate the centre, and hence increase its market share, has been to increase the entertainment value (Kim, Christiansen et al. 2005). The fiercer the competition the more important this differentiation becomes. A trend within the industry has been to distinguish a centre from the surrounding competition with the help of experience factors. Within the retail industry esthetics and comfort, queues, sounds, congestion, store mix and good quality restaurants have become increasingly important. These are some of the factors contributing to the consumers overall experience of the shopping centre. Individual stores are attempting to excite all senses and are thus trying to incorporate entertainment into their business strategy while the entire centers today are built with

entertainment focused characteristics, including features such as rides, skating rinks, amusement parks, movie theaters and museums. This new development and trend have spread relatively rapidly during the last two decades, although also the early mall developers included benches, artwork and piped-in music to make the shopping experience more pleasurable (Evans 1999). Today, however, entertainment has become an integral part of shopping experience, and will be a point of strategic differentiation for shopping centers.

Meanwhile it has also been argued that the centers have become increasingly mainstream (Bergström and Kolterjahn 2004). The standardization is assumed to be a potential problem in the large city regions since the shopping centers here are located in proximity to each other. The consumers can and will thus choose the most attractive centre. In more rural areas the low level of competition rules out the possibility for consumers to choose between centers. A possible danger and consequence of the standardization within the shopping centre industry, is that the consumers might get fed up with this form of establishments, and thus choose to spend their money elsewhere, e.g. purchasing their goods online.

Kim, Christiansen et al. (2005) states that according to earlier empirical studies there exist a correlation between different types of centre entertainment features and the visitor frequency. Although the frequency of visitors is either directly or indirectly related to the number of entertainment elements, the connection to actual purchases or sales figures is not that clear cut. Neither Kim, Christiansen et al. (2005) nor Haynes and Talpade (1996) finds a significant relation between entertainment level and consumer purchasing behavior. So while the number of centre visits, and most likely the time the consumer spends in the centre is affected by the shopping centers entertainment value, the number of bought goods is seemingly influenced by other factors. At the same time Kim, Christiansen et al. (2005) emphasize the fact that empirical investigations within this field is tricky since it is not clearly defined what consumers perceive as entertainment. While the general view is that entertainment is important for centers to attract consumers, it does not necessarily imply that a centre must offer amusement-and theme parks. There are other ways to increase the entertainment/attraction value, e.g. offering longer open hours, a variety of food options (food courts), exhibitions and performances connected to the consumer target group and offering places to rest and relax during the stay.

A 2005 study by Eppli and Tu examined the impact of 39 mall renovations and expansions between 1995 and 1997 on the performance of in-line retail stores. Some of the expansions were

entertainment-based with theaters, restaurants and major bookstores. They found that although entertainment-based expansions did not significantly result in an increase in the per square foot sales growth rates for in-line stores, it did increase aggregate sales and thus helped the mall by establishing its presence of being the dominant regional mall and enhanced its brand image.

In order for a shopping centre to maintain its attractiveness it needs to be modified or updated every five to ten years (Bergström and Årman 2002; Bergström and Fölster 2005). It can be changes such as renovation, investments in the physical design, expansion or layout. It is not the size of the centre itself, but rather continuous improvements of the centre, which is a critical element in the successfulness of the centre (Bergström and Wikström 2002). Bergström and Fölster (2005) emphasize that shopping centers which have underwent renovations etc. most often experience a large increase in customer inflow immediately afterwards. The increased consumer inflow lends further support to Eppli and Tu's result of an increase in aggregate sales levels after renovation. The increasing level of competition between shopping centers arising from the wave of new establishments and new investments forces the older centers to renew themselves in order to not be forced out of the market.

There seems to however be a difference in shopping behavior between different types of consumers. In 1998, Eastlick et al. surveyed adult shoppers on cross-shopping behaviors at two entertainment and retail focused malls in the US. They found that both entertainment-oriented shoppers and cross-shoppers are seeking fun and enjoyment through their mall activities, whereas shoppers pursuing particular goods and services are generally not drawn to entertainment activities. They found that regardless of the shopping motivations, positive experiences translate into a higher probability of repeat business and that entertainment can be part of an effective strategy to increase visits and shopping center profitability.

## **Measuring Shopping Centre entertainment value**

The concept of "entertainment" is hard to define in the context of a shopping center. It could be viewed in a very narrow sense as consisting of just games and shows, or in a broad sense as a combination of the entire shopping experience. Following earlier studies, shopping centre entertainment can however be classified into three categories, namely special event entertainment, specialty entertainment and food (Barreto and Konarski 1996; Haynes and Talpade 1996). The key distinction between these entertainment categories is their length of

duration or span of operation. *Special event entertainment* is offered on an occasional basis for a shorter period of time such as guest star performances and fashion shows. Conversely, *specialty entertainment* and *food* are generally part of the tenant mix of a shopping centre and thus are incorporated into the centre's property for a longer duration (Barreto and Konarski 1996). Specialty entertainment involves movie theatres, video arcades and playgrounds e.g., and food refers to the range of cafés, pubs or restaurants available at the centre.

## Methodology, Data and Descriptives

The main objective of the paper is to test the hypothesis that the sales per leasable square meter is positively related to the entertainment value of the shopping center. As stated in the earlier section entertainment can be divided into three broad categories. For two of them we do have available data, specialty entertainment and food, while for the third category special event entertainment we have to use a proxy. Since special events predominately are taken place in the common spaces that is shared by all tenants and maintained by the center management, we assume that the more common space you have available the more likelihood special events to take place.

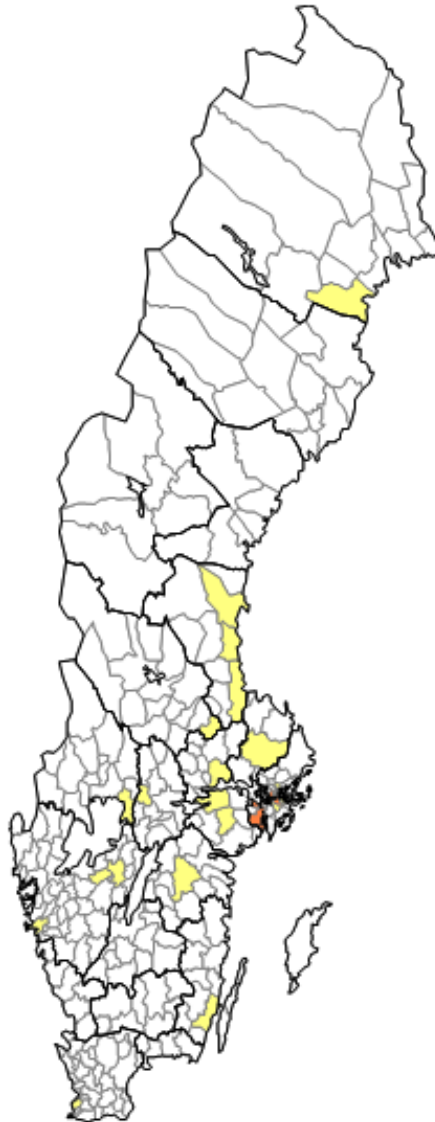
Data from 2005 covering 210 city mall, theme centers, external and regional shopping centers were provided from the consultancy Centrumutveckling (Centre Development) and their yearly statistical book *Köpcentrumkatalogen 06/07*. The reason for why only these four categories of centers are selected is because they are the only center types which traditionally offer their consumers entertainment related facilities and experiences. While in the US, the so called theme centers have grown in scale over the last decade, only two such center types can be found in Sweden for the selected time period. Table 2 list a description of the number of centers within each of the four categories which offers entertainment related establishments.

**Table 2: Frequency of entertainment facilities found in per center category**

	Total centres	Centres with Amusement facilities	Centres with Culture facilities	Centres with Playgrounds	Number of Restaurants	IKEA
<i>Specialty entertainment</i>						
City mall	136	18	4	1	347	---
External centre	47	1	0	2	90	
Regional centre	25	6	2	4	188	
Theme center	2					

One can from table 2 see that it is the city malls and the regional centers which to the largest extent offers these kinds of facilities.

In order to say something about the spatial distribution of entertainment based facilities in shopping centers a map is constructed.



**Figure 1: Map over Swedish municipalities and the distribution of entertainment facilities in shopping centers.**

As can be seen from the map depicted above only a few number of the Swedish municipalities have shopping centers which contain some form of specialty entertainment facility, e.g. bowling alley or cinema. Out of the total 290 municipalities, 73 have a shopping center of the type we are investigating located within its borders. Municipalities with entertainment facilities in SC are further restricted as only 21 offers such venues. Predominately these municipalities comprise of

areas in the Stockholm labour market region and in other major cities around the country, e.g. Gothenburg, Malmo and Vasteras. This is in line with the argument that entertainment features are a way to distinguish oneself from competition since it is only the major cities that competition among the centres are the fiercest. Consequently, the initial conclusion that we can draw from this is the total effect from entertainment related establishments in a shopping centre should have a very small effect on the Swedish shopping centre industry. The food experiential aspect on the other hand can be found almost in all shopping centres.

The descriptive statistics presented in table 3 further strengthens the view that specialty entertainment facilities have a very limited role among the Swedish shopping centers. A full definition of the variables can be found in the appendix.

**Table 3: Descriptive Statistics**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Total sales	210	25000000	2400000000	375323809.5	443358657.782
Share of chain stores	210	0.00	1.00	0.5110	0.19962
Parking spaces	208	0	5000	649.12	876.037
Common areas	210	0	70182	2321.72	5386.473
Number of restaurants	210	0	32	3.10	3.885
Specialty entertainment	210	0	2	0.15	0.398
IKEA	210	0	1	0.02	0.153
Playgrounds	210	0	1	0.03	0.180
Hotel	210	0	1	0.08	0.266

A correlation table is presented in the appendix.

Given earlier research and the data available the model that is to be tested is as stated below:

$$Sales = common\ space + number\ of\ restaurants + share\ of\ chains + parking\ spaces + specialty\ entertainment\ facilities + playgrounds + hotel + web\ page + center\ type + \varepsilon$$

## Results and analysis

The result for the estimation of the experience factors impact on shopping center performance, estimated as its sales level is presented in Table 4 below. The results are ambiguous, with some experience related variables showing a positive and significant impact on sales levels, while others gives the opposite result.

**Table 4: Regression results**

	Shopping center sales (millions of Swedish crowns)
Specialty entertainment	-0.279** (-2.104)
Restaurants	0.200*** (1.992)
Share of chains	0.424*** (3.245)
Common space	0.166** (2.302)
Parking spaces	0.342*** (4.634)
Hotel	-0.450** (-2.016)
Playground	-0.128 (-0.425)
Own web page	0.065 (0.476)
Ikea	0.604* (1.825)
Dummy external SC	0.000 (0.999)
Dummy regional SC	0.356* (1.764)
c	16.173*** (27.853)
R2	0.690
obs	129

The model was regressed in its logarithmic form, thus all coefficients but the dummy variables can be interpreted as elasticities.

Note: *t*-values are stated in the brackets. \*\*\* significant at 1%, \*\* significant at 5% and \* significant at the 10% level.

Analysis and conclusion to be added....



## **Conclusion**

For future studies it would be beneficial to do a survey of all shopping centers in which data is gathered on the amount of activities they arrange per year.

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## Appendix.

Table X.X: Definition of facilities included in the amusement and culture variables

Culture	Amusement
Library	Cinema
Art gallery	Bowling
Theater	Indoor swimming
Museum	Snooker
	Bingo
	Zoo
	Paintball
	Adventure golf
	Game Arcade
	Indoor climbing

	Type of Shopping Centre <sup>7</sup>	Concept	Square meters (GLA)	Nr of shops	Nr of inhabitants in market area	Type of Stores/Services	Obs Nr
Residential area SC	<b>Local Centre</b>	Close proximity to convenience goods and personal services.	3 000 – 7 000	7-15	15 000	A smaller supermarket (anchor) combined with consumer services (dry cleaning, hair dresser etc) to cover the basic daily necessities.	30
	<b>Neighborhood/Community Centre</b>	Durable and convenience goods in addition to various services. Often a presence of local-level public service facilities, e.g. library and local offices of government agencies.	7 000 –20 000	16-35	30'-60 000	One/two major supermarkets, a few national durable chains. Broader range of services than in the local centre in addition to some form of coffee or food service provided.	20
	<b>District Centre</b>	Larger districts or groups of districts have a district centre. This type of centre is only found in the three city areas of Stockholm, Gothenburg and Malmö.	Ranging from the same type of size as a municipality centre up to larger clusters depending on the market size.				24
	<b>City Mall</b>	Placed in the city centre	3000 GLA -> Often small structures			Various sorts of durable goods combined with some food option or convenience goods.	136
Externally located SC	<b>External Centre</b>	Located outside the city centre and residential areas. All retail categories provided	Average 15 000 GLA			Anchor in the form of a large supermarket/hypermarket in addition to varying number of durable stores.	49
	<b>Regional Centre</b>	All retail categories Entertainment	20 000- 50 000	Min 50	100 000	One/more department store like hypermarkets, large supermarkets, large national chains, restaurant services.	26
	<b>Power Centre/Retail Park</b>	Special type of out-of-town centres	8 000- 15 000	4 and upwards		Number of large stores in varying sectors. The stores are grouped together with/around a common parking space.	12
	<b>Trading centre/retail cluster</b>	Agglomeration of retail stores without original planning. Often placed in close proximity to another shopping centre, e.g. out-of-town.					35
	<b>Theme Centre</b>	Special focus/niche area. Located in areas where there already is a high share of customers, e.g. the city center.	3000 -> Often small	15 and upwards	More than 50 000	Niche of retail market; categories could be fashion, home furnishing, leisure/sport, restaurants and entertainment.	2

All shopping centres with a rental square meter area of more than 3000 are included in the sample. The minimum cluster is 5 stores, hence many superstores (e.g. ICA Maxi) is excluded from the sample. Centers marked in dark grey are included in this study

<sup>7</sup> The definitions of the different centre types is obtained from Centrumutveckling (2006). Köpcentrumkatalogen 06/07. Stockholm, Centrumutveckling Håkan Karlsson AB. Centrumutveckling (2006).

Table AX.X: Variable definition

<b>Total sales</b>	The total sales level in the shopping center. Measured in Swedish crowns
<b>Specialty entertainment</b>	The number of establishments of culture or amusement establishments found in the shopping center
<b>Common space</b>	The amount of area devoted for common usage in the center
<b>Share of chains</b>	The number of large chain stores over total stores in the shopping center
<b>Restaurants</b>	The number of restaurants found in the shopping center
<b>Parking spaces</b>	The number of parking spaces available to the consumers
<b>Hotel</b>	Dummy variable for if the center has a hotel within its premises
<b>Playground</b>	Dummy variable for if the center has a playground or not
<b>Web page</b>	Dummy if the center has its own web page which the consumers can access
<b>IKEA</b>	Dummy if IKEA is located at the center or not
<b>Center dummies</b>	Dummies for each of the respected dummies is included to take into account for the varying amount of observations.

Table AX.X

Pearson Correlations										
	Total SC Sales	Share of chains	Common space	Parking spaces	Nr of restaurants	Hotel	Playground	IKEA	Specialty entertainment	web page
<b>Total SC sales</b>	1.000									
<b>Share of chains</b>	0.415**	1.000								
<b>Common Space</b>	0.580**	0.206**	1.000							
<b>Parking spaces</b>	0.737**	0.253**	0.582**	1.000						
<b>Nr of restaurants</b>	0.500**	0.019	0.612**	0.492**	1.000					
<b>Hotel</b>	0.012	-0.096	0.118	0.164*	0.128	1.000				
<b>Playground</b>	0.169*	-0.011	0.240**	0.223**	0.252**	-0.053	1.000			
<b>IKEA</b>	0.296**	0.155*	0.043	0.215**	0.075	-0.045	-0.029	1.000		
<b>Specialty entertainment</b>	0.022	-0.204**	0.220**	0.128	0.412**	0.071	0.062	-0.060	1.000	
<b>web page</b>	0.428**	0.147*	0.478**	0.458**	0.465**	0.119	0.117	0.018	0.111	1.000

**\*\*.** Correlation is significant at the 0.01 level (2-tailed).  
**\***. Correlation is significant at the 0.05 level (2-tailed).