FACTORS AFFECTING LOCATION DECISION OF SHOPPING CENTRES IN THE PERI-URBAN AREAS IN PORT HARCOURT, RIVERS STATE

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Abstract
Most actual decisions concerning the location of commercial establishments involve many considerations. Flawed location selection decision can lead to huge economic loss. Consequently, this research examines the factors that influence the location decisions of shopping malls in the peri-urban areas in Port Harcourt. The study population for this study is Shopping Mall Operators. The check list method was adopted and the data were collected using structured and semi structured questionnaire. Primary data was also used. Simple random sampling technique was deployed in administering copies of the questionnaire. The analysis was based on 375 respondents sampled for the study. Data were analyzed using ANOVA and the Kruskal-Wallis test. The results indicated that accessibility had a mean score of 2.83 and a standard deviation of 1.44. The Kruskal-Wallis non-parametric analysis of variance test for repeated measures was significant, p <.001. Thus, accessibility emerged the most important factor business owners consider in establishing a shopping mall. Based on the findings of the research the researchers recommend that prospective shopping centre owners should consider accessibility in establishing a shopping mall. The researchers argued that government should provide access to the communities adjoining the city of Port Harcourt to encourage growth, reduce movement towards the centre, and thereby reduce traffic at the city centre. Finally, planning authorities should insist that locations of shopping centres are strictly in compliance with extant planning laws.

Keywords*: shopping centre, selection, decision, location, planning, accessibility*

Introduction

Shopping centres exist and may thrive because of their ability to fulfill the convenience needs of nearby residents. As with the hexagonal concept of urban locations, these shops provide a low hierarchical level of services while the customers served look to higher hierarchical levels (central business districts and shopping centers) for the filling of more specialized needs (Barlowe,1978). **Shopping centre,** also called **shopping mall,** or **shopping plaza** is a 20th-century adaptation of the historical marketplace, with provision for parking. A shopping centre is a collection of independent retail stores, services, and a parking area conceived, constructed, and maintained by a management firm as a unit. Shopping centres are generally of neighbourhood, community, or regional scope. Aspects considered by planners when a shopping centre is to be built include feasibility of the site in terms of the community's ability to support a centre; adequate vehicular access; and size, access, and topography of the site, as well as availability of utilities, zoning laws, and land use in the immediate area. Economic conditions of the area, the sociology of the region, and local commercial competition and attitudes determine the size of centre that can be supported and the kind of stores acceptable to a given locale. Shopping centres have become the most common of shopping environments and have influenced the makeup of cities around the world. This is intensified by the poverty dynamics associated with urbanization, distribution and redistributions of goods and services for more patronages, land use zoning requirements, intervening opportunities, economy of scale and the dynamics of demands and supply.

The decision concerning the location of commercial establishments can be very difficult take; perhaps due to the intrinsic and extrinsic factors associated with motives, land use dynamic and policies. Deciding where to build a shopping centre has long-term implications. A faulty decision can be very difficult or even impossible to rectify (Akhtar, 2021). Location analysis is a crucial decision-making element in ensuring the profitability and sustainability of the establishment. High levels of urban growth have been recognized to be associated with increasing levels of industrialization which further raises the prospect of economic growth (Balchin*et al*, 2000). As a result of rapid urban change, the location of commercial activities has been based more on the assessment of profitability or utility. The pattern of urban land use reflects the

competition between supply and demand especially where urban land supply for informal activities slowly reacts to dynamics of land demand. Informal activities, as is the case of retailing, often seek to maximize profits by locating as close as possible to consumers and other servicing activities, but as far as possible away from its direct competitors (Stahl, 1987).This is because small scale industries, as acknowledged by the World Bank (2004), attract indigenous labour, account for a substantial part of the total manufacturing value added, employ significant number of people in Africa and Latin America (Dutta, 2005) and offer strong grounds for linkage creation between rural and urban population (Kappel, 2004 & Sanni 2009).

Literature Review

Empirical Review

The literature is replete with the factors that shopping centres entrepreneurs consider before choosing a location for their business. These factors vary from the postulations of optimal theorist who contend that business enterprises are located where they will command maximum profit possible. Other theoreticians have suggested sub-optimal reasons with a mix of personal factors. In a study done in India by Tarun, Satnam & Anindita (2017), the researchers acknowledged that there are various factors which might affect shoppers' selection of a place to shop. In a similar vein, Otegbulu, Okechukwu & Umeh (2015) assessed the factors affecting shopping in selected shopping malls in Lagos metropolis. The findings were expected to guide shopping mall owners, developers and other shopping mall service providers on shopping mall factors to give priority attention relative to others in their development plans and service operations. Findings from the study however indicated that total building area; arrangement, ordering, neatness and quality of goods; and variety of different stores and service shopping experience are the major determinant factors attracting shoppers to shopping malls. What the study failed to identify were the factors responsible for the selection of location of shopping malls.

Ikadeh & Cloete (2020) did a perceptive study on the impact of formal shopping centre development on informal and small businesses in Lagos, Nigeria and concluded that most of the small business and informal business

around Ikeja City Mall and the Palms Mall in Lekki have a perception that these malls impact their business negatively. However, Bayero (2018) investigated the pattern and extent of relationship among factors that stimulate consumer patronage of shopping malls in metropolitan Lagos. The Study utilized survey method with questionnaire and interview as the two instruments of the study. The study was obviously silent on the factors affecting the location selection of a shopping mall. The study however, vaguely made reference to location attributes as a function of patronage and profit in shopping mall enterprise. It argued that liberalization has led to the establishment of as shopping malls. The study remarked that location influences consumer patronage of shopping malls but did not point out locational attributes that influence the decision of shop owners in establishing shopping malls.

In explaining the locational factors of shopping mall, Lei Zhou, Y. (2018) in an International Conference on Economic Management and Green Development (ICEMGD) presented a paper on location selection of super mall based on GIS Technology and Huff Model published in the Advances in Economics, Business and Management Research, adopted GIS technology to select the best location for large-scale shopping malls in Changchun, Jilin Province of India. The work analyzed the various factors that should be considered in the location selection of large-scale shopping malls, including population density, traffic conditions and existing commercial areas and so on. Based on the detailed planning and field visit data collected in Changchun, Jilin Province. In conclusion, the study noted that demographic structure, transport service and planning regulations determine the selection criteria of a shopping mall. Nevertheless, Barlowe (1978) added that ease of accessibility, the attraction of new facilities, the wide variety of convenience goods offered, and special shopping services such as free parking and opportunities to shop under one roof in air-conditioned comfort have contributed contribute to the location of shopping centres. He argued that these advantages have made it possible for these centers to siphon off much of the trade advantage once enjoyed by central business district establishments and by neighborhood shops.

It is noteworthy to remark that in Nigeria many studies on factors affecting location of shopping malls have concentrated more on economic criteria (type

of goods sold, population and your customer, location costs and personal factors) than non-economic (accessibility, visibility, and traffic, signage, zoning, and planning location costs) that influence the decision of locating a commercial business outfit (Oyelakin-Oyelarin, 1997; Akinbinu, 2001 & Fatusin, 2010). Bull (1994) in emphasizing the importance of location asserted that "the three most important factors that define the business establishment are location, location, and location". In the literature there is growing body of knowledge on the importance of location in business establishment (Adam & Amuquandoh, 2014; Chou, Hsu, & Chen, 2008 & Wang, 2012). However, recent observations in the peri urban of Port Harcourt have shown that the location of shopping centres tends not to conform to the optimal location theories of Weber (1929) and Losch (1954). Alfred Weber in his book, theory of industries posited that the location of industry is hinged on cost minimization. Nevertheless, operators of business establishments locate their activities on the basis of some sub-optimal behaviour as well as on some personal factors with peculiarities that vary from one environment to another. In the words of Ogbu (1998), personal factors are imperative in explaining actual location decisions of industries as the siting of such small scale or informal sectors might be the result of sub-optimal behaviour.

Summary of Literature Reviewed

Based on the studies reviewed it can be argued that the existing works failed to address the factors that explain the location of shopping malls in the peri urban centres in Port Harcourt. It is also important to note that none of these previous studies focused on factors that will influence the location decision of shopping centres entrepreneurs in a polycentric city like Port Harcourt. It is on the basis of this gap in the literature that this study sets to determine the factors that influence location decision of shopping centres in the peri urban of Port Harcourt. It is envisaged that this study will provide a model of location selection based on both theoretical and empirical data and information from shopping mall investors and operators and experts in urban planning. In this sense, it can serve as a guideline for anyone interested in the establishing a shopping mall. Importantly, the structured framework and identification of factors and their influence will introduce a new dimension to location decision-making in the establishment of shopping malls. Lastly, the output of this research will be a helpful spatial decision tool for policy makers and

municipal managers in terms of providing support to shopping centre operators.

Methodology

Study Area

Port Harcourt was founded in 1913 by Lewis Vernon Harcourt, a top member of the British Colonial Administration in Nigeria. Port Harcourt is the heart of Nigeria's oil industry with virtually all major multi-national oil companies being represented in the city (Port Harcourt Master Plan, 1975) b. The economic activities of Port Harcourt include manufacturing processing, sand mining, agriculture and fishing, and services. Numerous small-scale enterprises like consumer retailing and wholesale businesses also thrive in the city. Rural urban migration among other factors has pushed the population of the city to over 3 million. Thus, the city is expanding rapidly and it has annexed the peripheral communities. With about 3.5% population growth rate the city is expected to have a population of over 10miliion in 2030. (Rivers State Ministry of Budget and Planning, 2019).

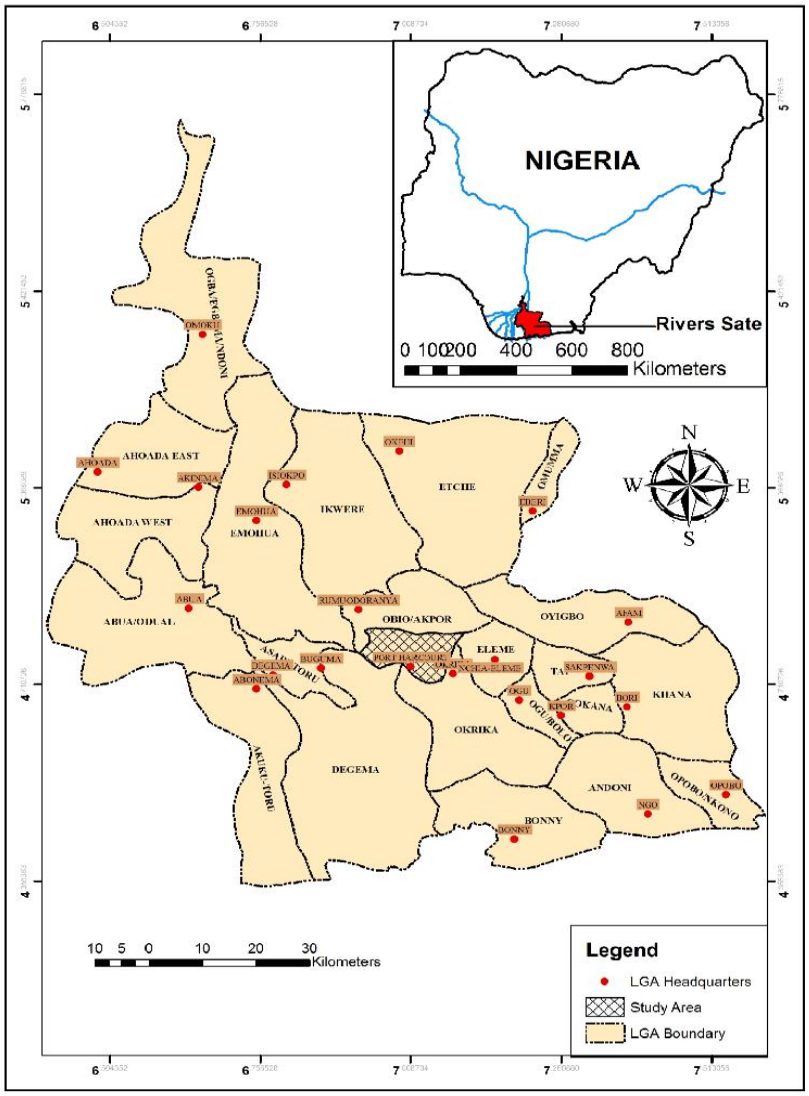


Fig 1.2: Map of Rivers Showing the Study Area

Method of Data Analysis

In this research the cross-sectional study design was adopted. The operators of the shopping centres constituted the population of the study. The sources of data for this study will include both primary and secondary data. Questionnaire constituted the primary data instrument for this study. The

adopted a checklist model which provides a shopping centre evaluator with a set of procedural steps for arriving at a subjective yet quantitative expression of a location value. Shopping centres operators were requested to rank-order eight commonly cited factors that influence entrepreneur's location decisions from one (1) to eight (8) so that the most important factor is ranked 1 while the least factor is ranked 8. These factors include population structure, accessibility, extant planning and zoning laws, location cost, traffic, the level of infrastructure and sales potential. Secondary data were collected from a diverse source of published documents by Rivers State Ministries of Finance, Commerce and Industry, Nigeria Chamber of Commerce, Central Bank of Nigeria and other relevant government agencies. Also, secondary data were sourced from journals, unpublished and published works, text books and archives. There are 452 operators of shopping centres in the peri urban of Port Harcourt. The simple random sampling and systematic random sampling techniques were used in selecting the sample size. Both descriptive and inferential statistical techniques were used. The Kruskal-Wallis H test (sometimes also called the "one-way ANOVA on ranks") is a rank-based nonparametric test that can be used to determine if there are statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable.The test statistic is given by:

$$K = (N-1)\frac{\sum_{i=1}^{g} n_i(\bar{r}_{i\cdot} - \bar{r})^2}{\sum_{i=1}^{g}\sum_{j=1}^{n_i}(r_{ij} - \bar{r})^2},$$

where:

- n_i is the number of observations in group i
- r_{ij} is the rank (among all observations) of observation $j$from group i
- $N$is the total number of observations across all groups

Research Findings

The study found that the factors that influence the location of a shopping centre in the peri urban areas in Port Harcourt are multi-faceted. The factors are population structure of the area, accessibility to existing transport corridors, cost of shop in order words location cost, traffic, the level of infrastructure in the area and sales potential. The rank-order of the eight factors that influence the location of an enterprise is displayed in table 1. The study identified accessibility as the most important that influences the location decision of shopping mall. Out of a total of 375 respondents 34.7% of them ranked accessibility as the first factor. The Kruskal-Wallis non-parametric analysis of variance test for repeated measures as shown in table 1 depicted that accessibility was significant, $p < .001$ and has a mean of 2.83 and a standard deviation of 1.44.This finding tallies with the view of (Barlowe,1978) who contended that accessibility is a key factor in the location of business of business establishment. The research output can also be situated in the pioneering work Walter Crystaller on location.

Conversely, planning and zoning law ranked lowest. In fact, no operator of shopping malls agreed that planning and zoning laws influence the location of shopping mall. It can be inferred that operators of shopping malls do not show consideration for planning and zoning laws. This finding agrees with Akhtar (2021).It is important for operators of business establishments to understand all the rules, policies and procedures related to the location of proposed shopping centre. There may be limits on the size and imagery used in signs that advertise your business. Ask about any restrictions that may affect your retail operation and any future planning that could change traffic, such as highway construction. Lack of consideration for planning and zoning laws creates chaotic and unplanned development and may be responsible for the proliferation of shopping malls in the fringes of Port Harcourt. Planning authorities in the study area must therefore insist that location of shopping malls conform with extant planning laws.

Table 1: Rank Order of Factors Influencing Location Decision by Shopping Centres Owners.

Rank	Minimization factors	Mean	Std deviation	Frequency	Percentage
1	Accessibility	2.83	1.438	130	34.7
2	Population structure	3.21	2.196	90	24.0
3	Traffic	3.65	1.742	45	12.0
4	Infrastructure	4.45	1.399	45	12.0
5	Sales potential	4.65	2.797	45	12
6	Competition and neigbour	5.00	2.157	15	4.0
7	Location cost	5.11	1.876	5	1.3
8	Planning and zoning laws	7.09	1.279	0	0
TOTAL				**375**	**100**

Source: Researcher's fieldwork, 2021

Conclusion and Recommendations

The study examined the factors affecting location decision of shopping centres in the peri-urban areas in Port Harcourt, Rivers State. The research findings revealed that the most important consideration in deciding the location of shopping centre is accessibility. Shopping centre owners locate their business where there is accessibility to existing transport corridors. The Kruskal-Wallis non-parametric analysis of variance test for repeated measures was significant, $p < .001$. The result as presented in table 4.3 indicates that proximity to family members emerged the most important factor that industrial entrepreneurs consider, with a mean of 2.83 and a standard deviation of 1.44.Based on the findings of the research work the researcher recommends that prospective shopping centre owners should consider accessibility in establishing a shopping mall. The researchers argued that government should provide access to the adjoining communities to the city of Port Harcourt to encourage growth and reduction movement towards the centre to reduce traffic at the city centre. Finally, planning authorities should insist that location of shopping centres is strictly in compliance with extant planning laws.

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