

**CAPACITY MANAGEMENT PRACTICES AND CUSTOMER SATISFACTION  
AMONG THE SHOPPING MALLS IN NAIROBI, KENYA**

**By**

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## **DECLARATION**

This research project is my original work and has not been submitted for a degree in this or any other University.

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This project has been submitted for Examination with my approval as the University  
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May the Almighty bless you all abundantly today in this world and the hereafter.

## **DEDICATION**

This research project is dedicated to my family, especially my wife Yusra Ahmed Abdalla; Son(s), Master Omar and Master Ahmed; Daughter Miss Fatma; My parents, Mr. Omar Mwinyi Mwanyoha (Bofulo) and Mrs. Fatuma Bakari Gakurya (Nigala) and my Brothers, Mwinyi (May God grant him Jannatul Firdous), Abubakar, Baraka and sisters, Mwaka and Mesaid. In laws Mr. Ahmed and Khadija Bakhshuwein. All who have unreservedly supported me on one way or the other throughout my life.

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## **LIST OF ACRONYMS**

<b>NCBD-</b>	Nairobi Central Business District
<b>CMPs -</b>	Capacity Management Practices
<b>ICSC-</b>	International Council of Shopping Centers
<b>GLA-</b>	Gross Leasing Area
<b>TOC-</b>	Theory of Constraints
<b>ICT-</b>	Information Communication Technology
<b>NCCLD-</b>	Nairobi City County Licensing Department
<b>CDF-</b>	Cumulative Distribution Function

## **ABSTRACT**

This study sought to determine the capacity management practices commonly used by shopping malls in Nairobi, Kenya, and the relationship between capacity management practices and customer satisfaction in the shopping malls. The study was conducted using a Cross Sectional research design. It was based on 20 major shopping malls in Nairobi. Collection of the first hand data from the field was conducted by the help of interview guide and a semi structured questionnaire. To analyse the collected data, content model of analysis was. The study ascertained that the widely used capacity management practice to manage customer satisfaction in malls is the shifting capacity. Moreover, the practices for achieving capacity management objectives had been fairly useful on customer satisfaction, space management, process time and response time. The strategies used to operationalize shopping malls capacity management requirements and customer satisfaction were; scheduling activities, a flexible workforce and remodelling of equipment. Shifting capacity majorly led to service flexibility and service time while flexible workforce was useful in achieving response time and service time. Capacity management strategies such as clear marking of walkways majorly led to customer safety, variable shift responded to quick clearance, subcontracting led to reduced complains and continuous service, whereas flexible workforce helped in meeting service time. However, queuing strategy did not quite effective respond to customer needs, other than enhancing continuous service. The study established that there were one main challenge that shopping malls faced during capacity management implementation; bottlenecks. The only action that shopping malls took to solve problems or challenges of bottleneck in operation was the best capacity management strategy. The management of the shopping malls should consider putting in place the recommended capacity management practices (shifting, offloading and subcontracting) to even better its customer satisfaction by enhancement of capacity management practices that have not been fully embraced by some shopping malls such as offloading capacity. The findings show that capacity management strategies are in use in these shopping malls, though it was evident that some elements of capacity management strategies needs to be strengthened to help fortify their effects on enhancing the customer satisfaction in the malls.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The rising business rivalry and changes in technology as well as changing business environmental factors have forced organizations to shift gears and becoming more focused on the customer satisfaction through capacity management approaches that are customer centric. One of the approaches that is used by business units is to effectively manage the organizations capacity. In service operations, capacity management basically looks at striking a balance between capacity of service delivery and the customer demand aimed at lowering waste of time and minimizing idle space or intellect (human resource) with the aim of reducing operating costs while increasing the quality of service delivered. A firm's capacity management has a significant impact on customer satisfaction especially across Shopping malls and industries engaged in merchandising business (Gronholdt, et al., 2012). Indeed in a competitive market, increased level of satisfaction to customers is a milestone in differentiation and a strategic business positioning. Bloemer et al. (2008) in their study investigated the brand related issues in supermarkets, which are just like shopping malls, and pointed out that an effective capacity management of a supermarket significantly improves perceived service quality;. Equally, the significance of customer buying behavior has been a key factor to consider by the retailers in the present business environment. Shopping malls are spending a lot in research to understand the customer needs and how to eventually increase their level of satisfaction (Da Silva, 2010). The service delivery process of a shopping mall should be characterized with a number of strategic business approaches like faster and convenient service

delivery to the customer and this has stood out as key factor of strategic competition. Adoption of a flexible Capacity management practices in shopping mall management is critical to develop a winning approach in attaining a strategic lead time performance with the aim of minimizing operating costs (Gant's et al, 2003).

The growth of shopping malls in Kenya over the last decade can be described as having been tremendous. However, with the growth and expansion of shopping malls in virtually every major road from the Nairobi Central Business District (NCBD), means the business environment has continually changed, bringing more and more challenges to the players due to the new entrants into the sector as well as from emerging smaller supermarkets and business units that offer similar products and services that are offered by the shopping malls.

### **1.1.1 Capacity Management Practices (CMPs)**

CMPs can generally be referred to as the methods applied by a firm or company to address the potential of the firm or company to carry out a task or work, expressed in terms of time and output. CMPs depends solely on the main factors of the capacity management plan. For instance, in shopping malls, space management plan is a documented plan that oversees and reviews output, forecasts, customer satisfaction requirements, time variations and human resource, (Kolev and Paiva, 2008). The capacity management practices advocates the need of balancing capacity availability and the demand for the same considering other factors accruing to quality service viz a viz cost and time variations. Fitzsimmons and Fitzsimmons (2012), opine that in the service

sector, the core service capacity management practices will entail five elements comprising supporting facilities such as décor, facilities layout, support technology and equipment. In addition to offering implicit services such as comfort, status, convenience, comfort and the general wellbeing of the customers.

### **1.1.2 Customer Satisfaction**

In his study, Ray (2009) defined customer satisfaction as the aftermath experience of a service whether it has met the needs intended for or not. Ray noted that the moment of truth is critical in determining whether customers' expectations have been met or over met. This depicts that customer experience after the service or product determines a repeat purchase or none, and therefore a business should strive to encourage a customer to make a repeat purchase by offering service or products what the customer expects i.e. not only meet expectations but exceed expectations. A customer evaluates the first experience of a service or a product and makes a decisions considering other options depending on his or her expectations. Hernard and Symanski, (2009) observed that previous research on satisfaction of customer needs only looked at the influence of needs/wants, performance, customer expectation among other things. Further studies by Diets, (2004) indicated that consumer expectations are like pre-trial beliefs pointing to the product or service which operates as a benchmark for moment of truth during service delivery or product evaluation. Many studies and scholars have concluded that consumers of a service or product are satisfied when the service or the product performs above expectations and dissatisfied if expectations of customers exceeded real performance of the products or services (Oliver, 2007).

Parasuraman, Zeithaml and Berry, (2001) identified five determinants of service quality that lead to increased customer satisfaction, by order of importance namely; reliability, the need to assist clients or customers and unfailing product or service assurance, the power to keep trust, customer concern and unlimited customer focus. Academia have observed that shopping malls that are well operated stand out exceptionally well as compared to the competitors in the industry and they always have but not limited to the following aspects; support from the top management, exceptional service delivery, product or service review systems, prompt customer complaints services and internal customer satisfaction among others. On his part, Kotler (2002) note that shopping malls and other service providers encounter several issues among them differentiation (of product or service), quality and production capability. Being different is basically adding or incorporating secondary service features to the primary service. Delivery differentiation is where the company hires and trains people to deliver the services or through image differentiation by symbols and branding.

### **1.1.3 Shopping malls in Nairobi**

According to the International Council of Shopping Centers (ICSC, 2015) a shopping mall is closed shopping center with shopping streets and alleys which has a Gross Leasing Area (GLA) of between 400,000 to 800,000 square feet for Super Regional Malls. Two Rivers at 620,000 square feet, Garden City and Sarit Center each at 500,000 square feet, fall into the category of a regional mall. Nairobi has the highest number of shopping mall development hot-spots in East Africa and among the best in the region a global property consultancy firm Knight Frank in a report titled Shop Africa, (2016).

Knight Frank notes that there are 20 major malls located within Nairobi City County and its environs (Appendix IV). The city is said to have a mall space of close to 400,000sq meters and among the malls included is the Sarit Center, among others.

Demand for the mall space has been indicated as shooting up with international brands entering into Kenya hence encouraging construction of more space in the city, as observed by Reginald, (2016). He also noted that the business of shopping malls in Kenya is still dominated by the domestic entrepreneurs and home-grown retailers such as Nakumatt, Tuskys and Uchumi, however global businesses are showing great interest in the Kenyan business field, for regional chains like South Africa's Shoprite, Pick n Pay, Game and Woolworths, which are venturing into the Kenyan markets. Also, as per Ark consultants, (2016) international brands, like the French retailer Carrefour who is the main (anchor) tenant in the newly launched Two Rivers mall and the Hub, are also venturing into Kenya. Oxford Business Group, (2016) observed that the large number of major shopping malls in Kenya are mostly located in the CBDs of Nairobi, Mombasa as well as Kisumu. The survey noted that other big towns like Eldoret and Nakuru have shown potential for larger development in the near future. Oxford Business Group, (2016) further notes that, this is attributed to the devolution factor which is attracting more investors in the counties targeting the local market with retail space. Reginald, (2016) contend that there is a gap in the retail sector and Kenya is seen to be the next shopping hub in Africa. However, players should conduct thorough research especially in the element of space given that occupancy in some existing malls is still low.

## **1.2 Research Problem**

Different businesses encounter distinct market environmental factors which lead them in offering distinct products or services and there is need therefore to examine the interaction of different aspects of a firms operations Huffman, (2010). Indeed, there has been a significant relationship between CMPs, quality management and human resource management which is the cornerstone of process planning and process control and operations in managing of services. CMPs together with operations of services is a management test for capacity managers in the sense that the characteristics of service delivery and processes incorporating the consumers in the process of service delivery is seen as a wall blocking the choices open for control and aligning supply with customer demand in the entire service delivery process or system. (Kolev and Paiva, 2008). Kolev and Paiva noted that in managing an organizations capacity, there are several operational issues among them is; capacity altering, holding inventory or stock, queuing for service delivery, or demand manipulation. These management reviews are meant to improve the level of customer service and eventually customer satisfaction. Several studies have been conducted on capacity management practices. A study done by Glyn and Bradly, (2000) looked at a Brownian motion approximation to determine the optimal control of stock and capacity management in a make-to-stock process with an outsourcing option. Additionally, Alp and Tan (2009) researched on the combined capacity management plus inventory management shortcomings of a make-to –stock system. Wairimu (2014) researched on the CMPs and quality of service provided in the oil sector in Kenya. Mutali (2013) researched on the factors that influence the service quality in Kenyan commercial supermarkets.



The studies found out that management of capacity in the sector of service business the two parameters able to physically come into contact during the moment of truth and that can affect the perceived quality in the service rendered or expected. The research gap and interest of this proposed research was to further investigate the relationship between capacity management practices and customer satisfaction in shopping malls in Nairobi. It is clear from the findings that there is no existing literature or study explaining the particular situation under investigation. Therefore the main objective of this research was to find out the capacity management practices commonly used by shopping malls in Nairobi and determine the relationship between capacity management practices and customer satisfaction in the shopping malls in Nairobi, Kenya.

### **1.3 Research Objectives**

- i. To determine the capacity management practices commonly used by shopping malls in Nairobi, Kenya.
- ii. To find out the relationship between capacity management practices and customer satisfaction in the shopping malls in Nairobi Kenya

### **1.4 Value of the Study**

The findings of this study gives policy makers a glimpse of how capacity management affects the level of customer satisfaction in Kenya and consequently identify mechanism that can be harnessed by the regulators to achieve improved performance of private sector organizations which is a critical blue print for the economic growth and development in Kenya.

The findings of the study enables the owners and management of the various shopping malls to identify the key factors to consider in service delivery in achieving optimal utilization of shareholders' funds and resources.

It also enables customers of the shopping malls demand the right quality of service to guarantee their satisfaction from the service they receive and make appropriate decisions on their choice of service provider.

To the scholars and academicians, this study is useful in enriching the body of knowledge and also helping them in carrying out further and related studies in capacity management as this study avails important information in formulation of public policies and regulations in mall space management.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter addresses the following; empirical review, critical review and a conceptual framework is given at the end of the chapter, which brings out the main variables discussed in the study.

#### **2.2 Theoretical Review**

##### **2.2.1 Customer Satisfaction theories**

This study was built on assimilation theory, in which Festinger,(1957) opined that customer satisfaction is influenced by customer wants or needs and the product or service characteristics or features. Looking at the shopping mall or retail industry, several research have been conducted to investigate what the customers in the industry figures out as an important factor for satisfaction. Quality of the service and consumer satisfaction are different parameters however the two are said to be closely related. In his study, Atknsn (1988) observed that hygiene, security aspect, value for the money paid for a service and staff courteousness are the key determinants of satisfaction. This theory, according to Fesinger (1957) dissonance theory, observed that customers make cognitive choices between the product expectations and the perceived performance of the product. The idea of customer aftermath evaluation is incorporated in the customer satisfaction studies in the form of assimilation theory. A study by Andersan (1973), he observed that customers try to deviate from dissonance by trying to adjust their perceptions towards a

particular product to relate it more with their expectations. Customers are also said to be trying to minimize the fear attributed to the difference between what they expect from service or a product and the moment of truth or actual performance of the product. They do this by either twisting their expectations in order to correspond with the perceived performance of the product or either by increasing their level of satisfaction through lowering the importance of disconfirmation experienced. Payton et al (2003) argues that Assimilation theory has a number of shortcomings. First, the approach assumes that there is a relationship between expectation and satisfaction but does not specify how disconfirmation of an expectation leads to either satisfaction or dissatisfaction. Second, the theory also assumes that consumers are motivated enough to adjust either their expectations or their perceptions about the performance of the service. A number of researchers have found that controlling for actual product/service performance can lead to a positive relationship between expectation and satisfaction. Therefore, it would appear that dissatisfaction could.

### **2.2.2 Space optimization models**

Shelf-space model is was among the very first models of optimization by Hanse and Heinsbrok, (1979) Constraints of total available space, minimum allocations, and integer solutions are taken into account. Binary variables for handling assortment decisions are also included. The model of Corstjens and Doyle, (1983) incorporates both space- and cross-elasticities and takes into account constraints similar to those considered by Hansen and Heinsbroek, (1979). In addition, they explicitly consider substitution effects due to temporary or permanent unavailability of products. The resulting model optimizes return

on inventory and is solved using the simulated annealing heuristic procedure. Yang and Chen, (1999) simplify the model of Corstjens and Doyle, (1983).

The authors disregard cross-elasticity and assume that a product's profit is linear within a small number of facings, which are constrained by the product's lower and upper bound. They allow the profit of each product to vary when allocated to different shelves by formulating the shelf space allocation problem in a way similar to a knapsack problem. Allowing profit to depend on shelf placement is consistent with the experimental study of Dr`eze et al, (1989) who conclude that the location of products on the shelves is more important for determining sales of a product than the amount of space allocated to the product. With respect to the discussed models of optimization it is imperative for the Kenyan mall developers to learn the significance of the correct mix of shopping mall categories viz a vis food and beverages and entertainment. Knight Frank, (2016) observed that, Nairobi is now witnessing creativity in utilizing space.

### **2.2.3 Theory of Constraints**

This theory (TOC) is referred to as a systems management philosophy pioneered by Eliahu Goldrat, (1980). Eliahu observed that theory of constraints was keen on addressing performance optimization with respect to the outlined set of limitations of processes and product offerings. Theory of constraints management systems basically is made up of the following aspects; problem solving aspect, project management aspect, market segmentation aspect, and measurement of performance aspect. Eliyahu Goldratt, (1980) theory of constraint has a wide scope to the purpose of shopping malls. It therefore has

diverse advantages such as minimum lead time in production, good quality of services and products, rising profits and revenues, low stock or inventory margin, minimum bottlenecks, good management of limitations/constraints, keeping in check of statistical fluctuations, exceptional competitive edge, making easier for strategic marketing and operational decisions, establishing price margin approach and purpose of continuous improvement at the supply chain management level.

According to this theory, working with large number of customers or buffer under theory of constraints is the foundation for the shopping space control. Generally, resources that are not constrained are put in place to make sure that they are working on the intended areas of functionalities at the planned times in the process and in the correct production quantities in order to address the requirements of limited resources as planned and with respect to customer service needs. Theory of constraints involves five steps which assists operations managers to do planning for the entire process and to direct their concentration on the resources which have greater capability to be influenced by variations in the system. The steps are; Identify the system's constraints, decide how to exploit the constraint, alter or manage the system's policies, processes, and/or other resources to support the above decisions, add capacity or otherwise change the status of the original resources as the dominating primary constraint.

### **2.3 Capacity Management practices**

Customers are keen on the ambience, product variations, entertainment, food, beverages, and social activities apart from shopping alone. The aforementioned parameters are the

strategic differentiation approaches for shopping malls in Kenya according to Knight Frank, (2016). The survey notes that shopping mall owners should be more innovative on matters space, layout, materials used among others, and also improve on the activities in the malls to attract more customers. A Nairobi-based market intelligence firm Sagaci, (2016) contends that malls should have a paradigm shift from traditional way of doing business and be more focused on technology adoption (online/ offline shopping) holograms, virtual interactions, social network shopping, 3d experience among other innovative plans in the stores. In the management of capacity, it is advisable to note that in times of capacity constraint, the prime concern should be towards demand in order to strike a balance between the two variables (capacity and demand) whereas when there is oversupply or the capacity is a surplus, there is need to change the aspect of demand in order to also strike a balance with supply. Operations manager should be more focused on on the mix of capacity and the level to which that can be altered and also the urgency of their reaction as well as cost involved (Slak, 2007)

Heskett et al., (2003) however observe that, it may not be possible to match the capacity with the demand finely and under such a circumstance, a coping mechanism may be employed which may alter the nature of the service delivered from the original design and hence the customers perception of the service quality. It therefore means that the management must be fully focused on any repercussions of any possible changes in their operations plans. This study focused on aspect of space because managing a shopping mall space is a central aspect aimed to attract customers and maximize profits. The more

customer demand is impulse-driven, the more it is space-dependent and the more it is subject to variation (Knight Frank, 2016)

### **2.3.1 Shifting Capacity**

The Shifting capacity management strategy is concerned with checking the degree of capacity and changing the level of available resources through; use of part time staff, changing the number of service providers including the number of hours worked, also distributing capacity between various sections of the process and moving resources from either back or front offices.

Hence the aim of shifting capacity management process is to check and maintain capacity as close as possible to be at par with effective capacity and at the same time maintaining high level of performance and service quality levels (Alp & Ton, 2006). In addition, the shifting capacity management may involve the shopping mall or any other service firm to focus on downtime in the periods of decreasing or low demand, use of semi-permanent staff (staff on contract basis) other than the regular staff or even acquire or lease resources that are idle. Similarly, staff can be trained to handle multiple functions at the same time. (Lovelok, 2002). This could also be applied where capacity is constrained and here the concentration should be directed towards affecting demand to strike a balance and be at par with capacity taking measures to influence demand of the customers. Additionally, operation managers should be aware of the mixed approaches of the capacity management, the level to which it can be altered, urgency of the action, Slak, (1989), and the costs involved Heskett, (2000). In this approach, number of participants



(staff) need to be transferred to uplift the existing levels of service delivery and also the development of a new facility will also shift the increase in demand which is expected due to new businesses downturn.

### **2.3.2 Offloading Capacity**

The offloading capacity strategy recognizes real constraints in altering effective capacity and seeks to influence the level of demand by way of for example, price changes, advertising and promotion, developing off peak demand, use of appointment and reservation systems and making customers queue for the service (Heskett, 2000). Consequently, the offloading capacity strategy is increasingly linked to yield management systems where effective capacity is constrained, for example in airlines, hotels, and car rental. In yield management the aim is not necessarily to gain the highest utilisation from the limited resource but rather to maximize the revenue yield from pricing differentials. This brings with it an additional control mechanism of “overbooking” which may result in customers not being served at the time they expect (Ong’ondo, 2013).

The coping action map is an attempt to present a way of developing coping strategies which recognize changing operational focus, capacity strategies and customer service dimensions within a total service delivery (Alp and Tan, 2006). The four general options for operational control are altering the capacity, holding inventory in anticipation of demand, requiring customers to wait for the service, or influencing demand in other ways. In service delivery there is not the possibility of producing the complete service

package in advance of demand and holding it as an inventory. This real time element of service production makes the matching of supply and demand very important, particularly in capacity-constrained services, such as airlines, retail outlets, hotels, and professional services, where the profitability of the operation is closely linked to the use of the current capacity (Cagliano et al., 2001).

### **2.3.3 Sub-Contracting Capacity**

Sub-contracting is a contract involving a vendor (external) and a business whereby the vendor takes charge of more than one business functions of an enterprise (Janes & Whire, 2006). It basically deals with subcontracting of non-core business activities (Jonsen, 2007). This is expected to improve the level of delivery of goods and services to customers and hence increase their competitive advantage. Savage (2006) support the concept of service improvement through outsourcing in a study of a hospital involved in an outsourcing arrangement finds resulting improvements in operations above comparative in-house arrangements. He further finds that sub-contracting in the health industry reduces costs through the sharing of expensive equipment. Despite these positive findings associated with outsourcing, other authors list some associated negatives. One negative relates to increased dependency, in that an organization may become too dependent on a single vendor supplier leading to a potential loss of core competencies in-house (Prahalad and Hamel, 2004). This means that future flexibility is in doubt, as the organization loses its ability to respond to change. A second negative is that outsourcing may result in a loss of control over the service process, as scheduling and time management issues may no longer be able to be solved by one organization (Rothery and

Robertson, 1995). Chase and Aquilano (1992) suggest that improvement of the process, in contrast to Savage's (1996).

## **2.4 Emerging Concepts in Capacity Management**

Information Communication Technology (ICT) is used in the improving and building capacity management practices in a number of ways; modelling and simulation, performance testing, queuing systems, capacity scheduling, forecasting workload to achieve Continuous, predictive Capacity Management, Just in Time, Quality Management (to ensure elimination of wastage e.g. repeat work and enhanced efficiency) or application of robotics and software/IT infrastructure to automate work and efficient use of space. In the banking sector, the use of agency banking, Automated Teller Machines (ATMs), Mobile Banking and Online Banking have been effectively used to manage capacity in the banks through reduced customer walk in banking halls, hence less queues in banking halls, make service easily available (nearness to customer); leading to improve service delivery and customer satisfaction as well as profits (reduced costs, and expanded revenues base by tapping on the many unbanked).

## **2.5 Capacity Management Practices and Customer Satisfaction**

Ark consultants, (2016) having a clear understanding that a shopping mall is a shopping center and that tenants get shops that are either too big or too small or layout of shops are not appealing to shoppers, then operations managers can now evaluate whether, Nairobi still needs more malls and diverse plans for managing capacity management in order to achieve the rising demand. Capacity management practices calls upon the need for

balancing capacity availability with capacity demand and considers the related capacity costs including the costs for short-term (intra-period) capacity adjustments. In a supermarket context therefore, a client satisfaction is measured through overall satisfaction toward the services. Yi, (2000) mentioned that customer's satisfaction is influenced experiences and expectations with service performance. Thus, satisfaction is similar to an attitude, as it can be assessed as the sum of the satisfactions with the various attributes of the product or service. This therefore means that customer satisfaction is expectation before purchase and perception about performance after purchase. In the service environment, customer satisfaction has been seen as a special form of customer attitude. It is a phenomenon of post-purchase reflection on how much the customer likes or dislikes the service after experiencing it, and it can be treated as a fulfillment of consumptive goals as experienced and described by customers (Oliver, 2003). Various firms employ diverse mechanisms to evaluate customer satisfaction.

According to Cacioppo (2010), assessment of customer satisfaction is one of the key mechanisms for successful organizations in the current economy in the world. Measurement of customer satisfaction can help to hold existing customer and may provide directions about how to attract new customers from the competitive business environment. As mentioned by Dick and Basu (2014), measurement of customer satisfaction and understanding the extent may help organizations to improve their customer services. It is argued that a satisfied customer certainly recommend the product or service to their relatives and friends. It is therefore, the marketing strategies should be focused on increasing customer satisfaction level. The target market of a firm will

influence how a company segments its products and also use common attributes or demographics like income, age, and education to tailor their products to meet customer satisfaction.

Practitioners in retail banking, for example, frequently split customers into mass, middle, and upscale market segments. In contrast, service organization practitioners (Chase et al. 1998; Schmenner 1995) segment customers based on operational attributes such as degree of customer contact, degree of process labor intensity, and/or customization. Pine and Gilmore (1999) take psychographics seemingly to the limits, suggesting that service providers can target customers based on how they experience—think and feel about—services in personal ways. All these classification aims in tailoring products and delivery process to meet customer satisfaction.

Cacioppo (2010) noted that retail customer satisfaction is determined by customer service, brand variety, store environment, convenient location and shopping convenience. Retail customer satisfaction depends on location, product quality, reliability, and process and personnel services. Wan and Schell (2013) pointed out that customer satisfaction resulted from the measurement of products and service according to the customer's previous experiences as well as the overall evaluation on the consuming experience. They indicated that an enterprise providing a good service quality could really satisfy the diverse needs of customers, and customer satisfaction was the overall evaluation of the product and the service based on the customer's past experiences. According to Kotler (2002) there are seven approaches to increasing customer satisfaction, these are having

skillful workers through the process of recruitment and selection, increasing service quality by offering value for money , industrializing the services, reducing or making absolute the service need by inventing a product solution, designing of more effective services, presenting customers with incentives to substitute own labour with company labour and also harnessing power of technology to give customers better services.

Kotler (2002) also says that a service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. An organization must be consistent in delivering quality service in conformity with turbulence of its internal and external environment. As Spreng (2006) noted, the quality of a service is of significant and strategic concern, an important indicator of customer's satisfaction. According to Berry Parasuraman (2002) in order to exceed customer expectation, companies need to present a realistic picture of their service to customers by checking the promotional messages for accuracy, performing the service right to customers by stressing to employees to provide reliable service, effectively communicating with customer to ascertain their needs by using the service delivery process as an opportunity to impress on customers and also continuously evaluating and improving their performance against customer expectations.

## **2.6 Empirical Review**

Ong'ondo (2013) conducted a study on effect of capacity management strategies on service quality in Safaricom. The study intended to determine the extent of adoption of capacity management strategies, factors influencing implementation of capacity

management strategies and to establish the effect of capacity management strategies on service quality in Safaricom retail outlets. Though the findings showed that various capacity management strategies were in use at its facilities, it was evident that some elements of capacity management strategies investigated were still in their initial stages of implementation and therefore needs to be strengthened to help fortify their effects on enhancing the quality of service provision.

Kawila (2014) researched on the effect of capacity management on service delivery of commercial banks in Kenya. Using descriptive analysis, the study sought to establish how the adoption of capacity management among the commercial banks and the utilization of bank resources influenced the service delivery level in the banks. The study found that shifting capacity practices that were commonly employed by the banks include enhancement of employee capacity through offering staff training that will enable them to handle more than one task and therefore being able to be redeployed when the need arise, offering overtime services to the staff such as paying them at a premium in times when they work outside the normal working hours as well as providing transport services for the staff. Wairimu (2014) also studied on capacity management and service quality in petroleum distribution firms. Using discriminant analysis approach, the study established that the capacity management strategy mostly employed by the firms in the oil distribution sector in Kenya is chase capacity management strategy and that capacity management approach and service context can interact and the interaction positively influences perceived service quality.

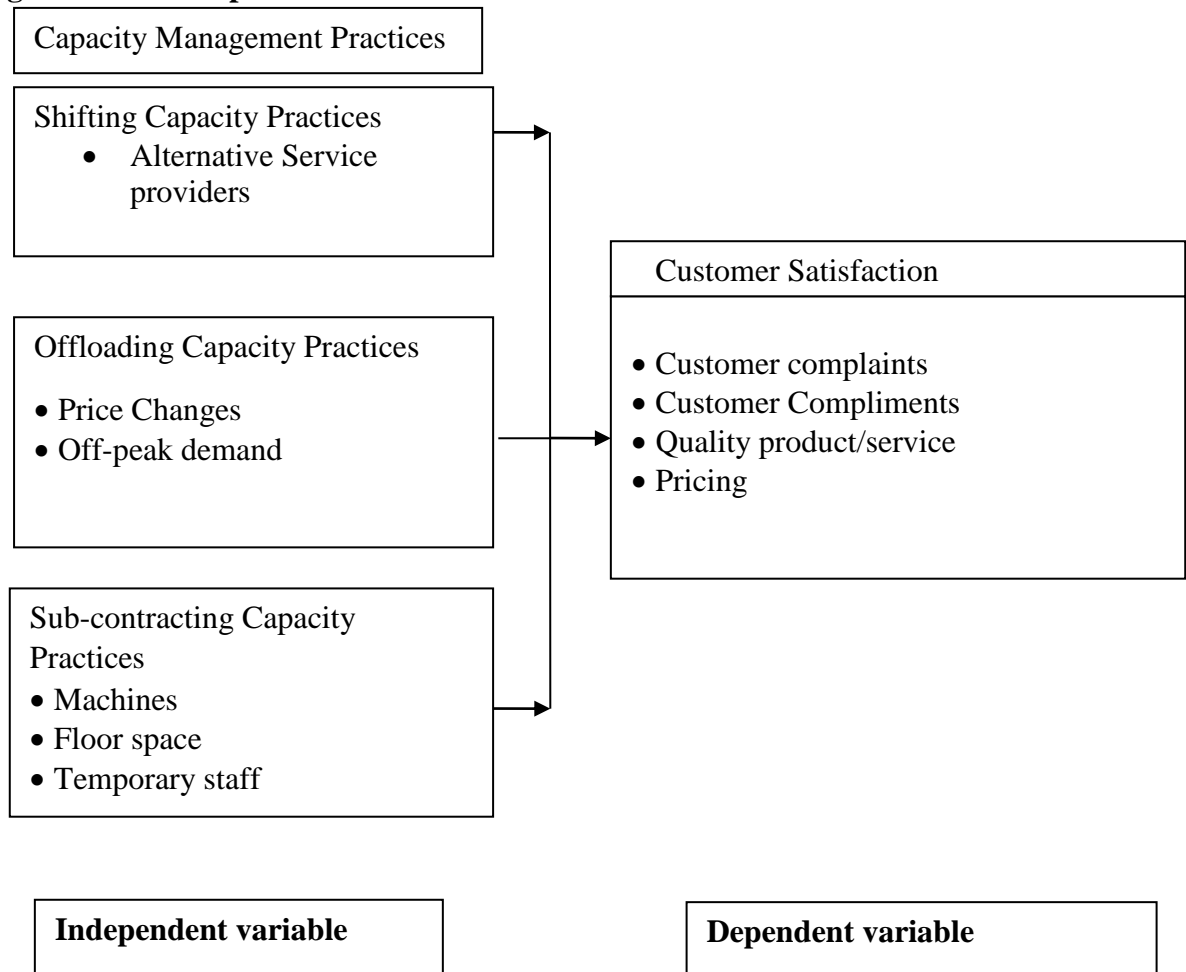
Klassen and Rohleder (2002) did a study aimed to establish how the demand and capacity management decisions operate together. They used a simulation theory and literature insights to find out the effect of capacity management decisions on operations and profitability. They focused on how demand options such as reservations, price differentials and advertisement interact with one another, and how capacity management practices like; scheduling, hiring or laying off employees and renting or sharing capacity affect one another, whether some options are more effective than others, and to what degree various options should be implemented in various scenarios. They concluded that demand and capacity management decisions are closely related.

Adenso-Diaz *et al* (2002) sought to model capacity requirements based on the nature of services and service demand. The model was tested in an internal medicine unit in a hospital nursing department and in a hotel both based in Spain. Delphi methodology was applied to determine the standard execution times of the different general nursing tasks and the frequency of each task with respect to the type of dependency of the sick person. In both studies, total quality functions were developed to come up with a lean staff required to oversee the work.. In conclusion they argue that their model can be applied in diverse service sectors where there is a flexible workforce with limited staff and variable activities are carried out depending on the type of customer therefore requiring adequate allocation of capacity that maximizes perceived quality. The main problem identified in this study is that their model is limited to only one capacity type, staff; while capacity is made up of several others elements such as physical facilities, equipment and space. Chase capacity practice was used in the two case studies as they concentrated on the



ability to assign staff on the basis of the demand that may arise. Whether the model can be applied in all service sectors, in different geographical contexts require testing.

**Figure 2.1: Conceptual Model**



**Source:** author, (2016)

## **2.7. Summary of the Knowledge Gap**

In summary the reviewed literature on capacity management strategies showed that the ability of a firm to effectively utilize its capacity management to be in line with customer demand is the main function of the operations manager at all cost meaning that if it succeeds or fails it will automatically impact the achievement of strategic competitive edge aimed towards quality services and customer satisfaction. The chase and level strategies of service organizations are in themselves inadequate to handle the limits of effective capacity and consequently the coping strategy has lately been presented as the additional tool on the basis of observations of operation managers in service organizations. In addition, the literature on capacity management strategies reveals that capacity management and demand influence one another and identifies different approaches to capacity management strategies. It also establishes a model to determine the lowest capacity management levels below which quality may be influenced.

Finally a link is identified between perceived customer satisfaction and capacity management strategies adopted as well as the contextual factors that influence this relationship. Although an attempt has been made to link capacity management in organizations and such attributes as organizational performance (Ermistace and Clark, 1992), service quality (Mwikali, 2014), different facets of capacity management such as Sub-Contracting (Keizers, 2000); there has been no study that sought to establish the link between capacity management and customer satisfaction. The study therefore sought to fill the existing research gap by establishing the effects of capacity management practices and the level of customer satisfaction among in the shopping malls Nairobi, Kenya.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The chapter has various sections addressed showing the methodology used to undertake this particular study with the goal of answering the key objectives of the study. The sections are; research design, target population, sampling, data collection instruments, and data analysis.

#### **3.2 Research Design**

A Cross Sectional Research design was used to establish the nature and extent of capacity management practices in the Shopping Malls and its relationship with Customer Satisfaction. A cross sectional research designed was adopted because in the study the researchers was interested in the distribution and existence of capacity management practices in the shopping malls and customer satisfaction at a particular point in time. In this research study, Shopping Malls and Shopping Mall Customers were identified from whom data was collected to help answer research objectives.

#### **3.3 Population**

According to Nairobi City County Licensing Department (NCCLD, 2015) there are 21 major malls located within Nairobi City County and it's environ (Appendix IV), which made the population of the study. A shopping mall was herein defined as a modern shopping building with many apartments of distinct businesses under one roof forming a complex of shops with diverse walkways that ease movement inside the building and with a parking space and a

modern shopping indoor version (Government of Kenya, 2015). The reason for targeting Nairobi was simply because the city has become a regional hub as noted by a survey conducted by Knight Frank titled, "The Shop Africa 2016 report, assessing Sub-Saharan Africa's retail markets", Nairobi leads the way for shopping malls in sub-Saharan Africa and this therefore was considered representative of the population.

### **3.4 Sampling**

The researcher used a non-probability sampling strategy in which for the Capacity Management Practices and Customer Satisfaction, the researcher targeted the shopping malls (as provided in the Appendix IV, List of Shopping Malls in Nairobi, but excluding Highway Mall Mombasa Road, which was not operational) and used a quota sampling method to select respondents from the following categories of tenants of the shopping malls: Restaurants, Shops, Pharmacies and Entertainment; giving us a total sample size of 80 (Eighty) respondents which was considered adequate for this particular study, given the time and cost implications to involve many participants. According to Hum (2015), stated that using too many participants in a study is expensive. This is also amplified by Russel (2001) who observed that a study should be of an adequate size relative to the objectives of the study.

### **3.5 Data Collection**

This study used primary data that was collected using a questionnaire and interview guide (Appendix II & III) for an in-depth discussion with managers of the shopping malls and tenants in respective shopping malls (Appendix IV). Specifically, the study aimed at selecting a senior manager in each of the shopping malls or tenants/customers of the

shopping malls who knew or could respond about the effective utilization of the malls capacity. The Questionnaire and interview guide was administered to tenants of the shopping malls. A pilot test of the questionnaire and interview guide to make sure they were understandable and acceptable to the intended audience was conducted.

### **3.6 Data Analysis**

The questionnaires were first edited then coded to facilitate statistical analysis. Data collected was both qualitative and quantitative. Qualitative data was analyzed through content analysis. Quantitative data was analyzed through the use of frequency distribution, mean scores and standard deviations. Specifically Probit model of analysis was applied to analyze binomial response from the data findings. With the help of (SPSS) the findings were presented in frequency distribution tables. The data was then summarized according to the study's specific objectives.

#### **3.6.1 PROBIT Model.**

Probit model was applied to analyse the level of customer satisfaction for services rendered by the shopping mall and also relationship between capacity management practices and customer satisfaction with the aim of answering the second objective of the study i.e. relationship between capacity management practices and customer satisfaction in the shopping malls in Nairobi Kenya)

The main reason for choosing Probit in this study is because our customer satisfaction questionnaire was based on binary response. i.e. YES/NO. Probit model according to McFadden and Daniel (1973), is developed to analyze Latent (qualitative) variables.

These are variables that are non-observable. McFadden applied probit model in his study titled “modelling the choice of residential location”. In his study, MaFadden wanted to determine the factors influencing customer satisfaction when it comes to choosing housing location. It is also useful when applied to social studies/research cases, where the options are two either Yes or No and hence easy to code the response into binary response of either 1(one) or 0(zero)

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1 Introduction**

This chapter discusses the research findings from the data collected and as per the objectives of the study, it is aimed at determining the capacity management practices used by the shopping malls and to establish the relationship between capacity management practices and customer satisfaction in the major shopping malls in Nairobi, Kenya. The chapter presents the analysis of the findings guided by interview guides and questionnaire responses. The analysis was divided into four sections. First section analysed respondents demographics, second section analysed capacity management practices, then customer satisfaction levels and finally, the last section did a detailed analysis of the relationship between capacity management practices and customer satisfactions.

To analyse the level of customer satisfaction for services rendered by the shopping mall as a factor of capacity management practices, this study utilized probit model methodology. Qualitative content analysis was used to analyse the demographics characteristics, the nature and extent of capacity management practices in the Shopping Malls and Customer Satisfaction levels. This was done through coding manually by grouping familiar or similar responses or parameters together in order to draw comparisons with ease.

To maintain confidentiality and mitigate against any biasness, during content analysis process, the shopping malls were referred to as Mall A, through T.

## 4.2 Respondents Demographics

When analysing respondents' demographics from each mall. Demographics were divided into 7 (seven) themes that is, (1) gender, (2) age, (3) education level, (4) job position, (5) duration holding the same position , (6) years worked for the business, (7) the years worked in the mall. Gender of the respondents was grouped together under two categories; male and female. Age of the respondents was grouped under 4 categories (20-29, 30-39, 40-49, 50 years and above). Education level was grouped into categories (masters, degree holder, diploma holder, and certificate holder). Job or business position was grouped into 4 categories (director, manager, head of department and subordinate). Years worked for the business, duration holding the same position and the years worked in the mall were grouped as follows; less than 2 years, 3-5, 6-10, more than ten years.

**Table 4.1** below provides a summary of the demographics as explained below.

**Table 4.1: Respondents Demographics**

Variable	Frequency	Percentage
Gender		
Male	20	25
Female	60	75
Age		
20-29	20	25
30-39	25	31.25
40-49	35	43.75
Above 50	0	0
Education		
Masters holder	10	12.25
Degree holder	35	43.75
Diploma holder	20	25
Certificate	10	12.25
Others	5	6.125
Job/Business position		
Director	15	18.375
Manager	25	31.25
Head of business portfolio /department	25	31.25
Subordinate	15	18.375



Duration holding the same job position		
Less than 2yrs	10	12.25
3-5	25	31.25
6-10	25	31.25
More than 10	20	25
Duration worked in the shopping mall		
Less than 2yrs	9	11.25
3-5	11	13.75
6-10	33	41.25
More than 10	27	33.75
Duration business has been in operation in the shopping mall.		
Less than 2yrs		
3-5	5	6.125
6-10	11	11.25
More than 10	33	41.25
	31	38.75

The results revealed that male respondents made up 25% out of the total employees interviewed, while, the female respondents made 75% of the total respondents. The findings revealed that 25% of the total respondents interviewed were in the age bracket 20-29 years, while 31.25% fall under the age bracket of 30-39 years and the 40 and 49 age bracket constituted 43.75 percent of the total respondents interviewed in all the shopping malls A through T. None of the respondents interviewed was over 50 years. The average age was 44.4 years.

Education levels were divide into five categories, that is masters graduates (12.25%), degree holders (43.75%), diploma graduates (25%), certificate holders (12.25%), and others (6.125%) as indicated in the Table 4.1 above. Level of education was significant to this study because educate respondents have the higher capability in process information and are able to make substantive decisions and therefore this depicts that education can influence adoption of capacity management in the various shopping malls. Directors of various businesses and subordinates constituted each 18.375 percent of total respondents,

managers constituted 31.25 percent while the heads of business portfolios and departments constituted 31.25 percent of the total respondents interviewed. The survey results majority of the respondents interviewed were managers and heads of various departments or business portfolios.

Survey results showed that 20% of the respondents had held their job positions for more than ten years during the time of interview. Most of the respondents (31.25) had been in the same job position for a period of between 6 and 10 years. While 12.25% indicated that they had been in their current position for less than two years when this study was being carried out. The survey also reveal that most (41.25) of the businesses had been in operation for a period of between 6 and 10 years inside the mall. Only 6.12% of the respondents interviewed indicated that their businesses had been in operation for less than two years in the particular mall. Most (41.25%) of the employees interviewed indicated that they had worked in the shopping mall for a period of between 6 and 10 years. Only 9 out of the 80 respondents interviewed indicated that they had worked for the shipping mall for less than two years (**Table 4.1**).

Demographic characteristics are very key in this study for various reasons. The length of service that the respondent had served in the shopping mall or in the business gives credence to the response provided because it is assumed that, *ceteris paribus*, the longer an employee worked in an organization the better the understanding of the operations of the organization and in this case, the service delivery mechanism of the entity aimed to satisfy customers. It also affects/impacts their expectations as a customer, in that things

that would otherwise be considered unsatisfactory are considered normal, due to getting used to the same. The duration in which a shopping mall has operated gives an indication of its experience in service operations and managing customer expectations / customer satisfaction, and it is expected that capacity management practices would have been adequately developed/matured over time.

### **4.3 Customer satisfaction**

In this particular area, the researcher was interested on the following key aspects with regard to customer satisfaction; accessibility of the mall, location of the mall, security of the mall, space for tenants, ambience, aesthetics, ventilation, opening and closing hours, rental cost, product/ service variety, customer care services, parking space, logistics inside the mall and direction marking inside the mall. The researcher used probit model for binary unit (YES/ NO) ‘‘YES’’ preference was taken as 1, while ‘‘NO’’ as 0.

#### **4.3.1 How probit was applied to analyse Customer Satisfaction**

Probit model is used to calculate the maximum likelihood estimates of parameters  $\beta$  and  $\varepsilon$  whereby  $\beta$  is the vector of parameter estimates and  $\varepsilon$  is known as the latent variable.

The probability of selecting a parameter or otherwise can be computed as the following:

$$F(Y) = Y = \mathbf{X}\beta + \varepsilon$$

Where-:  $F(Y) = \Phi^{-1}(Y)$  - this is known as probit link.

Our customer satisfaction parameters were as follows:

accessibility of the mall, location of the mall, security of the mall, space for tenants, ambience/aesthetics, ventilation, opening and closing hours, rental cost, product/ service

variety, customer care services, parking space, logistics inside the mall and direction marking inside the mall.

In our probit function shown above, Y is our dependent variable (Customer satisfaction) being tested (using the probit function  $F(Y) = Y = \mathbf{X}\beta + \varepsilon$ ) to see whether it is positive or negative against the mentioned customer satisfaction indicators)

Firstly, mean scores were calculated for each customer satisfaction parameter (as shown in table 4.2) - by getting the sum/total count of the significant responses (i.e. YES) and calculating the average by dividing the total YES of each parameter with the sample size (80, in our case), as shown in **Table 4.2** below.

**Table 4.2 Mapping of Customer Satisfaction Indicators to Probit Model**

<b>Variables</b>	<b>Definition</b>	<b>Mean values</b>
Easily /conveniently accessible	YES =1, NO=0	0.3637
Strategically located	YES =1, NO=0	0.0114
Good floor plan	YES =1, NO=0	0.2135
Adequate security	YES =1, NO=0	0.0068
Ample parking space for tenants and customers	YES =1, NO=0	0.1287
Sufficient and clean washrooms	YES =1, NO=0	0.0678
Spacious and clearly marked walk ways	YES =1, NO=0	0.0020
Sufficient , easy to use and working lifts	YES =1, NO=0	0.0604
Easily identifiable and clearly marked fire exits	YES =1, NO=0	0.6480
Caters for all persons (Disabled, Children, Old)	YES =1, NO=0	0.0206
Good ambience and aesthetics	YES =1, NO=0	0.5195
Appropriate ventilation	YES =1, NO=0	0.3637
Satisfactory opening and closing hours	YES =1, NO=0	0.0114
Attracts high caliber /quality tenants for the target market	YES =1, NO=0	0.3737
provides fair value for rental costs	YES =1, NO=0	0.1287
Good quality /wide product and service variety	YES =1, NO=0	0.2135
Provides easily accessible, friendly customer care services	YES =1, NO=0	0.0068
Management handles customer complains swiftly and satisfactorily	YES =1, NO=0	0.0034
Provides satisfactory service	YES =1, NO=0	0.2321
I would recommend the shopping Mall to other prospective tenants	YES =1, NO=0	0.2233

Further, selecting the intercept at 0.5, (that is at 95.5% confidence level) so that any mean scores above 0.5 would indicate a positive attitude to this variable while a mean score below 0.5 would indicate a negative attitude to the variable.

Then to calculate the probit estimates (also known as probability of the parameters), as per Table 4.3 below; firstly, we calculated CDF (cumulative distribution function) by taking the sum of all mean scores of the parameters calculated above and dividing the sum with a mean score of each individual parameter. NOTE that the higher the probit estimate value, the more likely the response was accurate or true. And that is why I was ranking the parameters considering how large the probit value is. Rank number 1(one) means that the probit estimate is bigger than others and this means that most respondents had a positive attitude towards that particular parameter.

Next step was to get the standard error. I used a simple formula:  $SE = \text{Mean score (squared)} \div \text{square root of our sample size (80)}$ .

To get the z-statistics for each parameter I applied a simple formula, cumulative mean scores of all parameters in Table 4.2 minus the mean score of each single parameter and dividing the difference with the standard error of the respective parameter.

The z- statistics is useful in this study to assist us know whether the response of each parameter is below or above the mean score of each parameter. And also to determine whether means of each parameter is different from the other parameter.

Lastly I calculated the Marginal effect of each parameter. Marginal effect is the unit change of the parameter on the probability given that all other parameters remain constant. To calculate marginal effect I applied a simple formulae; probit estimate value of each parameter multiply with the mean score of each particular parameter.

**Table 4.3 Estimates of the probit model on customer satisfaction indicators**

<b>Variable</b>	<b>Probit Estimates</b>	<b>Standard error</b>	<b>Z-statistics</b>	<b>Marginal effects</b>
Easily /conveniently accessible	0.484	37.1030	0.897	0.5774
Strategically located	0.35	2.3568	0.986	-0.4311
Good floor plan	-0.114	2.4567	0.356	-0.4332
Adequate security	0.7886	0.4311	0.213	0.3312
Ample parking space for tenants and customers	0.5433	0.2133	0.124	0.5786
Sufficient and clean washrooms	-0.677	30.2321	0.675	0.7644
Spacious and clearly marked walk ways	0.399	5.7865	0.234	0.13478
Sufficient , easy to use and working lifts	0.295	2.3456	0.356	0.0222
Easily identifiable and clearly marked fire exits	0.324	6.7865	0.986	0.5515
Caters for all persons (Disabled, Children, Old)	0.0789	0.5644	0.312	0.0832
Good ambience and aesthetics	0.2034	2.4533	0.782	0.6783
Appropriate ventilation	-2.4364	5.6744	0.367	-0.5722
Satisfactory opening and closing hours	0.3466	30.5690	0.213	0.5788
Attracts high caliber /quality tenants for the target market	0.0766	0.6521	0.455	0.6213
provides fair value for rental costs	-0.6655	0.6777	0.321	0.9854
Easy to navigate	0.4321	0.2371	0.289	-0.9321
Provides easily accessible, friendly customer care services	0.3655	0.2321	0.234	0.7211
Management handles customer complains swiftly and satisfactorily	0.4321	30.5633	0.356	0.0211
Good product variations	0.2316	2.5541	0.678	0.0031
Entertainment	0.4601	0.2311	0.321	0.6213
I would recommend the shopping Mall to other prospective tenants	0.3334	30.5542	0.453	0.8012

As per the probit estimates (which in this model and our research mean that the higher the probit value the more likely the response is correct), the results revealed that most of the respondents interviewed indicated adequate security (with a probit estimates score of 0.7886) as a key factor in choosing where to do shopping. Majority of the respondents who chose this parameter attributed this to convenience when doing shopping and also relaxed minds in social activities and entertainment. Further findings also revealed that product variations and preferred brands played part during the decisions to choose one shopping mall over another. They indicated that in choosing a shopping mall the most important issue was availability of preferred followed by ample parking space for tenants and customers (with a probit estimates score of 0.5433). The ambience was basically the physical appearance of the shopping mall both inside and outside i.e. decorations, attractive interior designs and attractive gardens and flowers.

Many (0.2034) of the customers running restaurants in the shopping mall indicated that image was very key and customer satisfaction dependent partly on attractiveness of the shopping mall. Third key factor to consider was accessibility of the shopping mall (0.484) basically looking at the convenience of the location of the shopping mall, infrastructures (roads) and availability of parking space. Entertainment also came in fourth (0.4601) popular factor and respondents indicated that entertainment was key to attracting customers to the shopping mall through a variety of services like catering, and recreational services for children and adults as well

Convenience (a probit estimates score of 0.4321) inside the mall also drew a lot of concern by the respondents interviewed citing convenience and navigation within the shopping mall facilitated ease of movement from one store to the other, comfortable escalators, and

lifts from one floor to another. Most (a probit estimates score of, 0.399) of the respondents interviewed indicated that the mall had spacious and clearly marked walk ways. A number of respondents (a probit estimates score of 0.4321) also agreed with the statement that the management handles customer complains swiftly and satisfactorily. The study showed that most of the shopping malls had a good performance to the knowledge of customers, equipment efficiency and preparedness in case of emergency, as represented by proportions of 0.3655, 0.295 and 0.324 respectively. On product variation, 0.2316 each of respondents pointed out that there was either a fair or good performance. For price differentiation and accessibility of location, customer attributed shopping mall performance was not fair. This constituted negative response (a probit estimates score of -0.6655) from across the malls targeted.

The smallest Standard error (SE) (Standard error is, margin of error), meaning that the smaller the margin the higher the accuracy (and vice versa); which was a probit estimates score of, 0.2133 for ample parking space for tenants and customers indicating the high level of accuracy and confidence by the respondents on this particular variable. In Summary, the response on the various variables demonstrated small margins of error except for accessibility of the shopping malls (37.1030), washrooms (30.2321), opening and closing hours (30.5690), handling customer complaints (30.5633) and on recommending the shopping Mall to other prospective tenants (30.5542). Accessibility of the mall demonstrate the largest SE which was attributed to mix thoughts of the respondents concerning the variable hence compromising the accuracy of the response.

Similarly, the highest probability of z-statistics (a Z score is the distance or the deviation from the mean scores). It is also referred to as standard deviation. In our analysis it shows



how far the response is from the accuracy of estimates, the largest was (0.986) for strategic location of the shopping mall and Easily identifiable and clearly marked fire exits. Additionally, the smallest z- statistics probability was reflected by ample parking space for tenants and customers (0.124).

The marginal effect in this analysis indicates that a slight change in the probability of capacity management variable can affect our dependent variable (customer satisfaction) by a significant amount.

#### 4.4 Capacity Management Practices

The researcher was interested to know how the respondents rated the capacity management practices in use. When asked if the shopping mall has been employing different approaches to manage its capacity; upon which content analysis was used to analyze the responses as per **Table 4.4 below**.

**Table 4.4 Capacity Management Practices**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
Shifting Capacity	69	86.25
Offloading Capacity	5	6.25
Sub-Contracting Capacity	6	7.5
<b>Total</b>	<b>80</b>	<b>100</b>

All the 80 respondents interviewed indicated that yes the shopping mall was employing various capacity practices. Among the three capacity management practices (shifting, off-loading and sub-contracting) whose contribution was to achieving expansion objectives in the shopping mall, shifting capacity topped the list at 86.25 %. This is attributed to the fact that most shopping malls attract a lot of shoppers between 2pm and 4pm on

weekends. Shoppers are also likely to stay out late shopping on weeknights, making purchases and this therefore called for a versatile strategy like shifting capacity management strategy; which collaborated our findings. When the respondents were asked which Capacity Management strategies i.e. of the shifting, Sub Contracting and offloading practices had been used. The response was as follows.

**Table 4.5: shifting and offloading strategies**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
The shopping mall alters the number of service providers during peak times to meet the customer demands	7	8.25
The shopping mall employs part time staff on part time basis during periods of increased demands	5	6.25
The shopping malls shares facilities that are idle with the other sections of the mall that are in need of the spare capacity.	15	18.25
The shopping mall adopts “do it yourself procedure” to customers and this releases various resources to be utilized at different levels	9	11.25
During periods of high demand for services by the customers- both internal and external customers, the shopping mall offers overtime facilities to its staff to cope with the increased demand	13	16.25
The shopping mall continuously trains and develops its employee to improve their capacity to handle more than one task at a time	11	13.75
The Shopping Mall management charges different price for space that is strategically located in the same floor	7	8.25
The shopping mall requires customers to wait for the service in a queue and this improves the quality of services offering	0	0
The staff in the shopping mall are always rescheduled to increase the service levels at any given time in the mall and can be moved from one point to a point where there is a deficit	3	3.75
The shopping mall strives to understand what suffers the customer to establish whether the front line staff have a role to play	9	11.25
<b>Total</b>	<b>80</b>	<b>100</b>

Capturing unused capacity through facilities that are idle with the other sections of the mall that are in need of the spare capacity was only an effective method as agreed by 15% of the respondents. Interestingly, rescheduling of staff did not contribute to achieving expansion objectives in the shopping malls. There were three main strategies used to operationalize shopping mall capacity requirements, of which all the 20 shopping malls surveyed indicated that they scheduled their activities and also had a flexible workforce. Another strategy used is altering number of service providers during peak times to meet the customer demands, as agreed by 7% of the respondents. No (0%) respondent agreed with the statement that shopping mall requires customers to wait for the service in a queue and this improves the quality of services offering.

When the respondents were asked to what extent the sub-contracting strategies to manage capacity had been useful in its achievements. The response was as per **Table 4.6** below.

**Table 4.6: sub-contracting strategies**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
The mall aims at improving the size of the service delivery point to its customers by pursuing acquisition of spaces facility in the nearby buildings and floors to meet the customers demand	21	26.25
The shopping mall offers limited number of services and encourages self- service by the customers	5	6.25
The Mall engages different contractors in service provision to the establishment and its customers	15	18.75
Sub-contracting of services by the mall has led to the loss of control over the service process	15	18.75
The use of experts in areas such as taxation, treasury and operational decisions enables the mall to deliver quality services to its clients and therefore increase its competitiveness	24	30
The mall shares some of its equipment such as servers with other firms to reduce its operational cost.	12	15
<b>Total</b>	<b>80</b>	<b>100</b>

The strategy of acquisition of spaces facility in the nearby buildings and floors enables the shopping mall to meet the customers demand as indicated by 21% of the respondents. Use of experts in areas such as taxation, treasury and operational decisions enables the mall to deliver quality services to its clients and therefore increase its competitiveness as noted by (24%) of the respondents interviewed. The usefulness of contractors in service provision was represented by 15% of the respondents interviewed. However, issue of self- service by the customers as a capacity management strategy was not quite effective as only 5% of the respondents indicated that it was used.

#### **4.5 Capacity management practices and customer satisfaction in the shopping malls**

Having shown from the above trend analysis of the key customer satisfaction indicators and determined the capacity management practices commonly used in the shopping malls in Nairobi, the researcher now sought to test and establish the relationship between the identified capacity management practices in the shopping malls and customer satisfaction using the probit regression model. Two sets of data were used for this analysis. Firstly, the data collected from customers satisfaction indicator made up of five key parameters (i.e. customer complaints, customer compliments, pricing and quality product or services) while the second set is the capacity management practices which were then subjected to the probit regression model, as per **Table 4.7 an 4.8** below.

**Table 4.7 Customer satisfaction Indicators as per Conceptual Model**

<b>Parameters</b>	<b>Parameter Estimates (P)</b>	<b>Asymptotic Error (s)</b>	<b>Probability</b>	<b>Ranking of parameter</b>
Customer complaints	0.4321	30.5633	0.356	1
Customer Compliments	0.3334	30.5542	0.453	2
Pricing	-0.6655	0.6777	-0.321	4
Quality product/service	0.2316	2.5541	0.678	3

**Table 4.8 Capacity Management Practices as per Conceptual Model**

<b>Variable</b>	<b>Parameter estimate</b>	<b>Asymptotic Error (s)</b>	<b>Probability</b>	<b>Ranking of parameter</b>
Shifting capacity	0.2921	5.7865	0.234	1
Offloading capacity	0.0334	2.3456	0.356	3
Sub-contracting	0.2316	6.7865	0.986	2

From the probit model obtained above, Constant = 0.612, showing that if all the independent variable parameters/indicators (i.e. shifting capacity, offloading capacity and sub-contracting) all rated as zero; the shopping malls customer satisfaction level would rate 0.612. While holding the other factors constant a slight change in shifting capacity would lead to 0.318 increase in customer satisfaction, while a slight change in offloading capacity would lead to an increase in the shopping mall customer satisfaction by a 0.246 factor. With respect to the relationship between capacity management practices on customer satisfaction which is presented in the table 4.7 above. Needless to say, the

capacity management hypothesis that each of the practices adopted by the shopping malls will have positive effects on the probability of customer satisfaction in the shopping malls. As observed in this analysis, the co-efficient of most of the customer satisfaction parameters are positive except pricing (-0.321). In assessing the relationship that the capacity management practices have on customer satisfaction as presented in table 4.8. The hypothesis that shifting capacity, subcontracting capacity and offloading capacity management strategies will have positive effects on customer satisfaction in the shopping malls. Their coefficient are all positive with the probit estimates of; 0.234, 0.356 and 0.986 respectively. The most influential capacity management practice that explains customer satisfaction in the shopping malls is the shifting capacity management followed by the sub-contracting capacity as shown by the ranking of the variables in the **Table 4.8.** above.

#### **4.6 Discussion of Findings**

This findings showed that many respondents interviewed indicated security (with a probit estimate of 0.7886) as the most significant parameter attributed in choosing the shopping mall. This finding is in line with a study by Cacioppo (2010) which revealed that retail customer satisfaction is determined by store environment, convenient location, customer service, brand variety, and shopping convenience. He argued that retail customer satisfaction depends on location, security, product quality, reliability, and process and personnel services.

The findings further showed that many of the customers running restaurants in the shopping mall indicated image (with a probit estimate of 0.2034) as very key and customer satisfaction dependent partly on attractiveness of the mall. This findings are amplified by Wan and Schell (2013) who observed that customer satisfaction was as a result of the perceived measurement of services and products with regard to the previous experience and the overall evaluation of consumer experience accompanied by the ambience or the attractiveness of the shopping mall. They noted that a shopping mall or a service provider offering quality service in a good environment was in a position to meet customers' expectations of which customer satisfaction was the objective of the service or the product based on the customer's past experience. Regular staff training on issues such as capacity utilization, customer relations and safety measures was inevitable as it ensured the malls had a competent staff, otherwise the need to replace non-performers.

The study revealed that most shopping malls had a good performance to staff knowledge of customers, equipment efficiency and preparedness in case of emergency as represented by proportions of 0.3655, 0.295 and 0.324 respectively. According to Kotler (2002) there are seven approaches to increasing customer satisfaction, these are having skillful workers through the process of recruitment and selection, increasing quantity of service by surrendering quality, industrializing the services, reducing or making absolute the service need by inventing a product solution, designing of more effective services, presenting customers with incentives to substitute own labour with company labour and also harnessing power of technology to give customers better services.

The findings reveal that the most popular capacity management practice was the shifting capacity. All the 80 respondents interviewed revealed that shopping mall was employing various capacity management practices and among the three practices (shifting, off-loading and sub-contracting), shifting capacity topped the list at 86.25 %. This finding is amplified by a survey done on Kenyan shopping malls by Knight Frank, (2016) the survey found out that there was an improvement and creative utilization of unused mall spaces and even parking space to incorporate newer retail categories to attract consumers and drive additional revenue. Offloading capacity was the least popular according to the findings, only 5 out the total respondents interviewed mentioned it as being employed by the shopping malls. This view was shared by Alp and Tan (2006) who observed that offloading capacity strategy is being used by airlines to increase their performance in situation where there exist a constrained capacity. Therefore our study points to the fact that this strategy is not popular in the shopping malls because most of the services sort by the customers is not booked by the clients like in the airline, and car rental.

In assessing the relationship that capacity management practices have on customer satisfaction as presented in **Table 4.8** above; as observed in this analysis, the co-efficient of most of the customer satisfaction parameters are positive in presence of capacity management practices. The analysis shows that if all the independent variables, parameters or indicators (i.e. shifting capacity, offloading capacity and sub-contracting) all rated as zero; customer satisfaction level would rate 0.612. While holding the other factors constant a unit increase in shifting capacity would lead to 0.318 increase in customer satisfaction. A unit increase in offloading capacity would lead to an increase in



the shopping malls customer satisfaction by a 0.246 factor. Our statistics show that, a unit change in either shifting, offloading or subcontracting could lead to a change in customer satisfaction parameters (customer complaints, customer compliments, product/service quality). These findings are in line with a study conducted by Yi, (2000) He mentioned that customer's satisfaction is influenced by experiences and expectations with service performance. Thus, satisfaction is similar to an attitude, as it can be assessed as the sum of the satisfactions with the various attributes of the product or service.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of the study, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn were focused on addressing the purpose of this study which was to establish the relationship between capacity management practices and customer satisfaction in the shopping malls in Nairobi, Kenya.

#### **5.2 Summary of the Findings**

There were several capacity management strategies that responded to customer needs in shopping malls.

The first objective on determining the capacity management practices commonly used by shopping malls in Nairobi, Kenya. All the respondents noted that the shopping malls employed various capacity management practices among them was shifting capacity, offloading and sub-contracting. The findings revealed that shifting capacity was most popular among the 20 shopping malls investigated.

Various strategies on implementing the capacity management practices were employed in the shopping malls aimed to enhance customer satisfaction. The strategy of the shopping mall continuously training and developing its employee to improve their capacity to handle more than one task at a time majorly led to customer safety, whereas altering

number of service providers during peak times to meet the customer demands responded to quick clearance. In the meantime, subcontracting responded to customer needs like handling complains and continuous service. Rescheduling of activities helped in achieving service flexibility and response time. Flexible workforce on the other hand helped in meeting service time. However, do it yourself procedure did not quite effectively respond to customer needs, other than enhancing continuous service. The study revealed that most shopping malls had a good performance to staff knowledge of customers, equipment efficiency and preparedness in case of emergency. On product/ service variation, each of respondents pointed out that there was either a fair or good performance. For fair value for rental costs and price differentiation, customer attributes shopping mall performance was not fair.

Regular staff training on issues such as capacity utilization, customer relations and safety measures was inevitable as it ensured the malls had a competent staff, otherwise the need to replace non-performers.

Objective two was aimed at finding out the relationship between capacity management practices and customer satisfaction in the shopping malls. The findings revealed that there was a significant relationship between capacity management practices employed by the shopping malls and customer satisfaction parameters. As observed in the analysis, the co-efficient of most of the customer satisfaction parameters are positive in presence of capacity management practices. The analysis shows that if all the independent variables, parameters or indicators (i.e. shifting capacity, offloading capacity and sub-contracting)

all rated as zero; customer satisfaction level would rate 0.612. While holding the other factors constant a slight change in shifting capacity would lead to to 0.318 increase in customer satisfaction. A slight change or increase in offloading capacity would lead to an increase in the shopping malls' customer satisfaction index by a 0.246 factor. Our statistics show that, a unit change in either shifting, offloading or subcontracting could lead to a change in customer satisfaction parameters (customer complaints, customer compliments, product/service quality).. The findings further indicated that the most popular capacity management practice that explains customer satisfaction in the shopping malls is the shifting capacity management followed by the sub-contracting capacity. 69 out of 80 respondents interviewed mentioned shifting capacity as being employed in the shopping mall. The analysis shows that in order to increase the probability of customer satisfaction in the shopping malls, efforts must be geared towards enhancing pricing or cost effectiveness of the malls. The probit estimates show (-0.6655) indicating a negative response by respondents towards fair value for rental costs as provided by shopping malls. As observed in this analysis, the co-efficient of most of the customer satisfaction parameters are positive attributed to capacity management practices being employed.

### **5.3 Conclusion**

The study concludes that the main capacity management practice widely employed by shopping malls is shifting capacity management. Moreover, the strategies for managing space in the shopping malls had been fairly useful on customer satisfaction, process time and response time. The usefulness of the capacity management strategies was good in service flexibility. The practices used to manage capacity requirements were; shifting

capacity, offloading capacity and sub-contracting. Rescheduling of activities majorly led to service flexibility and service time. Capacity strategies such as easily identifiable and clearly marked fire exits majorly led to customer safety. Shifting capacity majorly responded to quick clearance while contractors in service provision led to reduced complains and continuous service, whereas flexible staff helped in meeting service time. However, queuing did not quite effective respond to customer needs, other than enhancing minimum service. With respect to the relationship between capacity management practices and customer satisfaction, findings were clear that capacity management practices especially the shifting capacity does play a significant role in gluing the customers to the shopping malls.

The analysis shows that 18.25% of the total respondents interviewed revealed that the shopping malls shares facilities that are idle with the other sections of the mall that are in need of the spare capacity. Another 16.25% of respondents noted that during periods of high demand for services by the customers- both internal and external customers, the shopping mall offers overtime facilities to its staff to cope with the increased demand. Out of the 80 respondents interviewed none (0%) agreed that shopping mall requires customers to wait for the service in a queue and this improves the quality of services offering. In contrast, the shopping mall strives to understand what suffers the customer to establish whether the front line staff have a role to play as 11.25% of respondents indicated.

#### **5.4 Recommendations**

Due to the increasing advancement in information technology, automation through Smart cards, online payment and ability to place orders directly without having to travel to a shopping mall for deliveries should be exploited by shopping malls with large economies of scale. There is need for the shopping malls management to understand what the customers want so as to translate these expectations into customer satisfaction, good process and response time and service flexibility.

The strategies shopping malls use to manage capacity requirements should be relooked into. The employees should be adequately motivated to enhance a flexible workforce, and new safe equipment be purchased which in turn leads to service flexibility, improved service and response time and improve customer satisfaction.

The management of the shopping malls should consider putting in place the recommended capacity management practices (shifting, offloading and subcontracting) to even better its customer satisfaction by enhancement of capacity management practices that have not been fully embraced by some shopping malls such as offloading capacity. The findings show that capacity management strategies are in use in these shopping malls, though it was evident that some elements of capacity management strategies needs to be strengthened to help fortify their effects on enhancing the customer satisfaction in the malls. Such strategies like, “Do it Yourself” procedures to customers in relation to offloading capacity strategy. Others include enhanced use of the element of equipment

sharing with regard to sub-contracting strategy as well as alter of operations with fluctuating demand relative to level strategy.

It is therefore imperative that every shopping mall pays good attention not just to the implementation of capacity management practices but also in ensuring that such implementation are thorough by breaking it down into its respective variables and measure the impact of each of the strategy or capacity management practice so as to know the significant level of each practices. It is therefore safe to conclude that proper implementation of capacity management practices in a shopping mall will result in improved customer satisfaction.

For customer satisfaction the indication is that in order to increase the probability of customer satisfaction in the shopping malls, efforts must be geared towards enhancing pricing or cost effectiveness of their malls. Continuously training and retraining of employees working in the shopping malls must be engaged on fine tuning their responsiveness to customer compliments and customer complains (which happen to be the most influential parameters in this respect). Equally, the shopping malls management must enhance their sub-contracting capacity management strategies on quality of product/ services and constantly fine tune pricing of the malls approach.

During capacity changes, shopping malls should uphold strategies such as benchmarking, involving employees, customers and other stake holders while taking into account the impact of proposed change. Customer safety, service time and quick clearance are some of the main factors a consumer considers before entering a shopping mall. The capacity

management strategies adopted should adequately address these concerns above board. To achieve a continuous good performance, staff training is inevitable. Further, teamwork and effective, prompt communication should be done within all the management levels. The main challenges that shopping malls face ought to be carefully addressed to ensure that resources are utilized as efficiently as possible and customers are satisfied.

### **5.5 Limitations of the Study**

The aim of the research was to find out the various capacity management practices employed by shopping malls in Kenya and the relationship between capacity management practices and customer satisfaction. Therefore the research was limited to capacity management and customer satisfactions in shopping malls. Future research should concentrate more on other sectors apart from service industry. Secondly, there was biasness in filling some of the questions in the questionnaire by the respondents. Many respondents attributed this to their busy schedule in the business and they did not have much time to take good time in reading through the questions keenly. Future research focusing on this particular topic should come up with a slim interview guide and a questionnaire. Thirdly, this study focused on the three capacity management practices (shifting, offloading and sub-contracting), however, mall capacity management is subject to change over a period of time due to a number of reasons like experience gained over time and therefore it would be more important to do a research on the particular shopping malls at various and different times. A good area for further research is the investigation of the relationship between the same variables for the various businesses within the shopping malls. Even though there is some evidence that shopping mall capacity



management practices and customer satisfaction have a relatively close relationship, it is still not clear to what extent.

### **5.6 Suggestions for Further Research**

This study concentrated on the relationship between capacity management practices and customer satisfaction in the shopping malls. Further studies should be carried on the challenges of capacity management since this was not adequately exhausted. Also, this study was a descriptive survey research study; further studies on the same objectives should be undertaken focusing on a different service sector apart from shopping malls, the research should be extended to capture capacity management practices and customer satisfaction in the eyes of customers in commercial banks, hospitals and other service providing organizations, other than just shopping malls.

Technological change as well as External environment factors surveys need to be carried out so as to ascertain the best operational capacity management practices to employ in consideration of these factors. That is, while it is prudent to determine the physical location, space, stores and store procedures, machinery and equipment aspects of information system, human resource and quality assurance should also be addressed.

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# APPENDICES

## Appendix I: Introduction Letter



**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**  
**MBA PROGRAMME**

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P.O. Box 30197  
Nairobi, Kenya

DATE 13/9/2016

### TO WHOM IT MAY CONCERN

The bearer of this letter ALI OMAR BOFULO

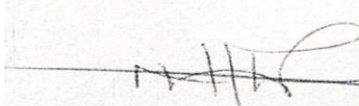
Registration No. D61/77400/2015

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

  
**PATRICK NYABUTO**  
**MBA ADMINISTRATOR**  
**SCHOOL OF BUSINESS**



**Appendix II: Customer Satisfaction Questionnaire**

- (i) This questionnaire is administered on shopping mall tenants as the target customers of the research on Capacity Management Practices and Customer Satisfaction.
- (ii) The information to be given in this questionnaire will be confidential and purely for academic purposes.
- (iii) The Questionnaire aims to establish the level of customer satisfaction for services rendered by the shopping mall, as a factor of capacity management practices.

**SECTION A: RESPONDENTS DEMOGRAPHICS**

*(Fill in the blank spaces and tick once in the below given choices of all questions)*

- 1. Name *(optional)*:
- 2. Please indicate your age bracket?
  - 20-29 years
  - 30-39 years
  - 40-49 years
  - Above 50 years
- 3. Please indicate your gender: Male             , Female
- 4. Please indicate your education level
  - Masters                           Certificate
  - Bachelor’s degree             others (specify).....
  - Diploma
- 5. For how long have you worked for the business?.....
- 6. What is your current position in the business? .....
- 7. For how long have you been holding the same position?.....
- 8. For how long has your business been operating at this shopping mall? .....

**SECTION B: CUSTOMER SATISFACTION**

*(In this section please state (YES or NO) the most appropriate response for each of the questions in the table below.*

To what extent do you agree with the following aspect regarding capacity management practices and customer satisfaction.

<b>CUSTOMER SATISFACTION INDICATOR</b>	<b>Yes</b>	<b>No</b>
The Shopping Mall is easily and conveniently accessible		
The Shopping Mall is strategically located		
The Shopping Mall has a good floor plan		
The Shopping Mall has adequate security		
The Shopping Mall has ample parking space for tenants and customers		
The Shopping Mall has sufficient and clean washrooms		
The Shopping Mall has spacious and clearly marked walk ways		
The Shopping Mall has sufficient, easy to use and working lifts		
The Shopping Mall has easily identifiable and clearly marked fire exits		
The Shopping Mall caters for all persons (Disabled, Children, Old)		
The Shopping Mall has good ambience and aesthetics		
The shopping mall has appropriate ventilation		
The Shopping Mall has satisfactory opening and closing hours		
The Shopping Mall attracts high caliber and quality tenants for the target market		
The Shopping Mall provides fair value for rental costs		
The shopping Mall has a good quality and wide product and service variety		
The Shopping Mall provides easily accessible, friendly customer care services		
The Shopping Mall management handles customer complains swiftly and satisfactorily		
The Shopping Mall provides satisfactory service		
I would recommend the shopping Mall to other prospective tenants		

**THANK YOU SO MUCH FOR YOUR TIME**

**Appendix III: Interview Guide**

- (i) This Interview Guide is administered on shopping mall management for the research on Capacity Management Practices and Customer Satisfaction
- (ii) The information to be given in this interview will be confidential and purely for academic purposes.
- (iii)The interview guide will seek to establish: - The capacity management practices commonly used by Shopping Malls in Nairobi, Kenya.

**SECTION A: Demographic Data**

1. Name (*Optional*):
2. For how long have you worked at the Shopping Mall? .....
3. What is your current position in the Shopping Mall? .....
4. For how long have you been holding the same position?.....
5. For how long has the Shopping Mall been operating?. .....
6. Approximately how many employees work in the Shopping Mall?. .....

**SECTION B: Capacity Management Practices**

7. Has your Shopping Mall been employing different approaches to manage its space and in the process influence customer level of satisfaction?  
 Yes ( ) No ( )
8. Which of the following capacity management practices are being implemented in the Shopping Mall?

CAPACITY MANAGEMENT PRACTICES	Yes	No
Shifting Capacity		
Offloading Capacity		
Sub-Contracting Capacity		

Any other capacity management practice that the shopping Mall employs in the Mall.....

9. The following are some of the shifting capacity strategies that can be employed by the shopping Mall. Which of the following are being adopted in the shopping Mall.

<b>Statement</b>	Yes	No
The shopping mall alters the number of service providers during peak times to meet the customer demands		
The shopping mall employs part time staff on part time basis during periods of increased demands		
The shopping malls shares facilities that are idle with the other sections of the mall that are in need of the spare capacity.		
The shopping mall adopts “do it yourself procedure” to customers and this releases various resources to be utilized at different levels		
During periods of high demand for services by the customers- both internal and external customers, the shopping mall offers overtime facilities to its staff to cope with the increased demand		
The shopping mall continuously trains and develops its employee to improve their capacity to handle more than one task at a time		

What other shifting capacity does the shopping mall employ in effectively managing its shifting capacity? Please expound.....

10. The following are some of the off-loading capacity management strategies that can be employed by the shopping mall. Please indicate the strategies being adopted by your business unit.

<b>Statement</b>	Yes	No
The Shopping Mall management charges different price for space that is strategically located in the same floor		
The shopping mall requires customers to wait for the service in a queue and this improves the quality of services offering		
The staff in the shopping mall are always rescheduled to increase the service levels at any given time in the mall and can be moved from one point to a point where there is a deficit		
The shopping mall strives to understand what suffers the customer to establish whether the front line staff have a role to play		
The mall aims at improving the size of the service delivery point to its customers by pursuing acquisition of spaces facility in the nearby buildings and floors to meet the customers demand		
The shopping mall offers limited number of services and encourages self- service by the customers		



What other offloading capacity strategy does the shopping mall employ in effectively managing its capacity? Please expound.....

11. The following are some of the sub-contracting capacity management strategies that can be employed by the shopping mall. Please indicate the strategies being adopted by your shopping mall.

Statement	Yes	No
The Mall engages different contractors in service provision to the establishment and its customers		
Sub-contracting of services by the mall has led to the loss of control over the service process		
The use of experts in areas such as taxation, treasury and operational decisions enables the mall to deliver quality services to its clients and therefore increase its competitiveness		
The mall shares some of its equipment such as servers with other firms to reduce its operational cost.		

What other sub-contracting strategy does the shopping mall employ in effectively managing its capacity? Please expound

.....

**THANK YOU SO MUCH FOR YOUR TIME**

#### **Appendix IV: List of Shopping Malls in Nairobi**

1. Capital Centre - Mombasa Road
2. Galleria Mall – Karen
3. Garden City Shopping Complex
4. The GreenHouse Mall - Ngong Road
5. Greenspan Mall Donholm
6. Highway Mall - Mombasa Road
7. The Hub Karen - Karen
8. The Junction - Dagoreti Corner
9. Karen Shopping Centre - Karen
10. The Mall - Westlands
11. Mountain Mall - Kasarani
12. Nakumatt Lifestyle - Ngong Road
13. Prestige Plaza - Ngong road
14. Sarit Centre - Westlands
15. T-Mall - Nairobi West
16. Taj Shopping Mall - Embakasi
17. Thika Road Mall - Thika Road
18. The Village Market - Gigiri
19. Nextgen Mall - Mombasa Road
20. Westgate Shopping Mall - Westlands
21. Yaya Centre - Kilimani

**Source:** Nairobi city county licensing department, NCCLD, (2016)