

International Journal of Sales, Retailing & Marketing

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HIERARCHY OF NEEDS FOR IMPROVING RETAIL SERVICE QUALITY

Kelley O'Reilly

CUSTOMERS' OPINION ON SMALL SCALE RETAIL STORES

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Editorial

It is with great joy that we stepped into a second year of publishing of the International Journal of Sales, Retail and Marketing. The journal focuses on challenging and complex area of retailing, sales and marketing in general. Due to the increased competition in those fields and changing patterns of consumption, this area is bound to receive a lot of scientific and scholar attention in the future. There is a lot of space for investigating and for offering implications and strategic decisions to retailers and to all those who are involved in this business.

Current issue of the journal is dedicated to six research papers of high academic quality

written by academics from U.S.A., India, Saudi Arabia, Hungary and Malaysia .

The articles cover the core theories, empirical researches, essential research tools expanding the existing knowledge base about topics in retailing, sales and marketing and we hope that they will be read and cited in the future investigations and relieves dealing with this area.

Until then we are working diligently to have the journal indexed in the respected data bases.

We wish you an enjoyable reading!

Editors

HIERARCHY OF NEEDS FOR IMPROVING RETAIL SERVICE QUALITY

Kelley O'Reilly, Ph.D.

Abstract

Developing, leveraging, and extending customer relationships is a priority of service firms. Findings suggest that when firms do this successfully, this strategy can result in more customers, spending more money on each visit, and referring other customers to the company. While front-line employees (FLEs) understand this strategy, they believe that management does not prioritize the necessary components, tools, and knowledge for effective customer-company interactions. Therefore, this work contributes to the field by providing a conceptual hierarchy of components needed for FLEs to deliver on management's goals of developing, leveraging, and extending customer relationships in a profitable manner.

Keywords: *Front-line employees (FLEs), service quality, customer experience management (CEM), customer relationships, retail.*

INTRODUCTION

It has been said "Customers always have an experience – good, bad, or indifferent – whenever they purchase a product or service from a company" (Berry, Carbone, and Haeckel, 2002, p. 88). Therefore, understanding, improving, and effectively managing the experience within a retail setting has been a long-held priority for most retail management teams and "remains a critical area for academic research" (Grewal, Levy, and Kumar, 2009, p. 1). Yet "the literature in marketing, retailing, and service management historically has not considered customer experience as a separate construct" (Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros, and Schlesinger, 2009, p. 32) and the construct remains fragmented (Palmer, 2010).

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Loosely defined as a holistic perspective that includes every point of contact that exists between a company and the customer it serves, customer experience management (CEM) is a retailer's strategy to engineer the customer's experience in such a way as to create value both to the customer and the firm (Verhoef *et al.*, 2009). In line with the concept of service dominant logic (Vargo and Lusch, 2004), experience(s) between customer and company may be influenced by the power and trust that exists within the relationships beyond just the customer-supplier dyad. Meaning, all actors in the integration of resources used to create an experience are relevant to the creation of value throughout the value chain and the quality of the interaction remains key (Fyrberg and Jürriado, 2009). Supporting this notion:

Many retailers are realizing that their growth and profitability are being determined by the little things that make a big difference in customer satisfaction and loyalty; for example, easy interaction between the customers and

firm, consistency of the message across all the communication channels, providing multiple channels to interact and shop, and finally being responsive to customer needs and feedback. (Grewal *et al.*, 2009, pp. 1-2)

Research supports the premise that effective customer experiences promote customer satisfaction and improve both customer loyalty and company profitability (Frow and Payne, 2007; Gentile, Spiller, and Noci, 2007; Grewal *et al.*, 2009). At its simplest, good CEM strategy has been described as being about creating a point of differentiation in the consumer's mind through an experience rather than a product (Frow and Payne, 2007; Hollbrook and Hirschman, 1982; Patterson, Hodgson, and Shi, 2008). Therefore, whether the customer is buying a power tool or a life insurance policy, "A service experience is held in the mind and not in the hands" (Ford and Bowen, 2008, p. 230), with the experience (good or bad) crafted of physical and emotional constructs. Of note is the difference between the concepts of customer experience and customer experience management. The former relates to everything the *customer* feels, thinks, believes, and perceives about the shopping experience, while the latter is concerned with a *retailer's strategy* to engineer a positive experience for the customer.

The literature suggests that, "Firms that leverage service can build strong relationships with customers that will generate barriers to competition, increase customer loyalty, and switching costs, and make market activities more efficient" (Bolton, Grewal, and Levy 2007, p. 1). Front-line employees (FLEs) and their disposition towards customers is a leading factor in generating customer loyalty (Bell, Gilbert, and Lockwood, 1997; Cortiñas, Elorz, and Villanueva, 2004), and it is well documented that interactions with customers (and resultant experiences and relationships) are highly dependent on the actions of FLEs (Beatty, Mayer, Coleman, Reynolds, and Lee,

1996; Berry, Parasuraman, Zeithaml, 1994; Bitner, Booms, and Mohr, 1994; Bowers, Martin, and Luker, 1990; Dean and Rainnie, 2009; Goff, Boles, Bellenger, and Stojack, 1997; Gremler and Gwinner, 2008; Guenzi and Pelloni, 2004; Mittal and Lassar, 1996; Vella, Gountas, and Walker, 2009; Zeithaml, Berry, and Parasuraman, 1996, 1998). Yet FLEs are under-researched as a group in the customer-company interaction phenomenon.

Therefore, in line with the recommendation of Berry *et al.*, (2002) who suggest a first step toward managing the total customer experience involves "...in-depth interviews with customers and employees to find out how people on both sides of a transaction feel about different aspects of an experience and the emotional associations that go along with it" (p. 85), this study attempts to fill a gap in the literature by exploring the views of FLEs regarding how customer-company interactions might be improved.

REVIEW OF LITERATURE

Customer Experience Management (CEM)

Because this research is focused on the perceptions of FLEs regarding customer-company interactions, CEM and service quality related literature addressing situational variables such as employee attitude, knowledge, store policies, service interface, shopping atmosphere, price, assortment, channel issues, and past customer experience(s) (e.g. service recovery) are particularly relevant. However, the data highlights some, but not all, of these areas. The following areas emerged in this research: (1) service interface, (2) assortment, (3) channel issues, and (4) past customer experience(s). Each of these will be addressed in turn.

Service Interface

The interaction between FLEs and customers is one critical element in the delivery of good (or bad) service experiences. Ford and Bowen (2008) argue that "[...] in both services

practice and research, there is an emphasis on the linkage between internal employee attitudes and external customer attitudes and even service-firm profitability" (p. 232). Going one-step further, retail employees may influence customer perceptions, generate favorable word-of-mouth, and affect the company's brand equity (Gremler and Gwinner, 2008; Goff *et al.*, 1997; Plakoyiannaki, Tzokas, Dimitratos, and Saren, 2008).

Research has attempted to identify the traits or behaviors that positively impact customers such as smiling, being friendly, acknowledging customers when they enter, being able to identify customer needs, and being immediately available for customers (Bäckström and Johansson, 2006; Baker, Parasuraman, Grewal, and Voss, 2002; Homburg, Wieseke, and Bornemann, 2009). These behaviors highlight that there is more than simply a product or service exchange at work and shed light on the role that emotions play in the overall customer experience. While multiple stores can offer the same products or services, creating a strong emotional bond through effective customer-company interactions is an effective means to thwart competitors (Berry *et al.*, 2002).

While research suggests that accessibility of retail employees can influence the interaction, the *quality* of the interaction is also important. Meaning, the competence of the retail employee (e.g. their advice, suggestions, and guidance to a customer) is as important as their accessibility (Bäckström and Johansson, 2006; Mittal and Lassar, 1996). Interestingly, the way in which an FLE's competence is demonstrated is also important. For instance, selling style of the FLE is highlighted in the research. Often called "customer oriented selling" (Goff *et al.*, 1997) or "relationship selling" (Beatty *et al.*, 1996), it is suggested that selling style is important and noteworthy when the retail employee can offer a range of alternative products and has product expertise, when the purchase is complex, when there is a positive relationship between the retail employee and

customer, and when referrals and repeat sales are important to the company (Saxe and Weitz, 1982).

Assortment

Assortment has been studied from varying perspectives and often includes factors that go beyond the mere product choice in stores. For instance, Baker *et al.*, (2002) considered store layout and design (e.g. the ability to find merchandise quickly) as one key element. In their study, design "cues" were shown to be more influential and stronger than either store employees or music in a retail setting. Yet, getting the right product to the right place at the right time for the right customer remains one of the biggest challenges retailers face (see Mantrala, Levy, Kahn, Fox, Gaidarev, Dankworth, and Shah, 2009, p. 78, for a snapshot of historical product assortment planning (PAP) literature). Simply put, retailers must determine what to stock, and then create means by which to maintain a predetermined number of SKUs (stock keeping units) on hand (Broniarczyk, Hoyer, and McAlister, 1998). This issue involves tradeoffs and a balancing of total inventory dollars, fixed floor space, and a retail philosophy of "broad versus deep" selection by category (Mantrala *et al.*, 2009). A location offering a broad selection is often referred to as a "category killer," which connotes a retailer that offers a huge assortment within specific product categories (Huffman and Kahn, 1998). "Big Box" retailers such as Wal-Mart, The Home Depot, Barnes and Noble, and Toys R Us fit nicely under the label of "category killer."

Channel Issues

Multiple channel strategies within retailing typically consist of traditional brick-and mortar retail outlets, direct mail solicitation such as catalogs, sales forces, telephony, e-commerce, and m-commerce initiatives all designed to target the same customer (Neslin, Grewal, Leghorn, Shankar, Teerling, Thomas, and Verhoef, 2006; Payne and Frow, 2004; Wallace, Giese, and Johnson, 2004). Retailers use multiple channel strategies for a variety of

reasons. Common reasons cited in the literature include providing consumer choice (e.g. Neslin *et al.*, 2006; Payne and Frow, 2004), to respond to competitor pressure (e.g. Grewal, Comer, and Mehta, 2001), to minimize transaction costs (e.g. Payne and Frow, 2005), and to expand market coverage beyond the physical footprint of brick and mortar locations (e.g. Sousa and Voss, 2006).

The overall objective of multichannel integration is to provide a significantly enhanced customer experience that results in higher customer satisfaction, and increased sales, profits, and share of wallet. Ideally, this should be accompanied by a lower cost to serve, through alternative channels, lower in the value chain, e.g., from direct sales force to desk-based account management or a shift from desk-based account management to the adoption or increase in the use of electronic solutions. (Payne and Frow, 2004, p. 534)

This objective as framed by Payne and Frow speaks to an important provision in designing CEM strategies: improved customer experience must be achieved at an affordable cost, implying that certain customers may hold better potential for the company than others. For instance, some customer groups may be willing to pay for extra service that others may not.

Providing customers more choice through multiple channels is linked to higher levels of customer satisfaction and loyalty (Wallace *et al.*, 2004). However, the validity of this linkage is in question considering that “[...] in today’s multi-channel environment a customer’s experiences in one channel (e.g. a store) may be affected by experiences in other channels (e.g. the Internet)” (Verhoef *et al.*, 2009, p. 33). The potential that a service failure in one channel may negatively affect future interactions in other channels has led to interesting research results. Wallace *et al.*, (2004) assert that “dissatisfaction does not appear to result from cross-channel failures related to the complexity

inherent in multiple channel strategies” (p. 259), rather the dissatisfaction results from a retailer’s failure to meet customers’ expectations. “Because of the importance of a highly positive customer experience, the channel strategy should seek to ensure such an experience occurs both within channels and across channels” (Payne and Frow, 2004, p. 532). Failure to do so may result in past customer experiences that negatively influence future interactions.

Past Customer Experience(s)

Past customer experiences are the result of more than just “[...] making, enabling, and keeping promises” (Bitner, 1995, p. 246). Customer perceptions regarding their experiences are a result of all the points of contact a customer has with a company as well as other environmental factors such as word-of-mouth communication, company communications, and contact with the company and/or its competitors (Boulding, Kalra, Staelin, and Zeithaml, 1993). Consequently, several studies have taken aim at conceptualizing how a customer’s past experience with a company might influence their current or future interactions. Boulding *et al.*, (1993) argue that current perceptions of service quality are a blend of what customers believe *will* happen, their expectation of what *should* happen, and their perception of what *actually* happened during the service encounter.

Over time, a customer may interact with a company once or many times. Based on a customer’s previous encounters with the company, Hess Shankar, and Klein (2007) argue that a customer will make an assessment of how widespread the service failures are likely to be in the company overall. If a customer has had good previous experiences, they are more likely to attribute subsequent poor service to the specific FLE rather than the company as a whole. While it is tempting to simply state that training must be in place to ensure no service failures, recent work in the area of conflict management assumes that conflict is always

present and that it may help to define the relationship (Hagel and Brown, 2005). However, conflict must be “managed in a manner that does not disrupt the ability of the members to work together and maintain a beneficial relationship from each member’s perspective” (Koza and Dant, 2007, p. 291).

When service encounters fail, companies implement various *service recovery* tactics. This is a focal theme that emerged from the data analysis of this study. However, research on this topic within a retail context is limited (Bolton *et al.*, 2007). “The lack of an overarching theoretical and methodological approach to recovery research has left the field with conflicting findings and no systematic resolution” (Ringberg, Odekerken-Schröder, and Christensen, 2007, p. 195). While Bendapudi and Berry (1997) argue that, a utilitarian rationale frames the customer-company interaction; Ringberg *et al.*, (2007) posit that relational and oppositional models are also at play thereby providing a cultural models approach to service recovery that is intrinsically linked to relationship and services marketing. A cultural models approach as applied to service recovery suggests that:

[B]reaches of less importance allow for superficial or even scripted intervention related to specific situational cues, breaches with high self-relevance require adaptive responses that match consumer recovery (identity-related) cultural models. (Ringberg *et al.*, 2007, p. 209)

For example, suppose you were in a video store to rent a movie to watch that evening with friends. If the FLE inadvertently suggested a movie that was not in stock, you would likely use a superficial cultural model and simply ask for another recommendation. However, once at your friends’ house, had the FLE inadvertently put the wrong DVD disc in the case, (requiring a return trip to the video store) the situation would likely turn self-relevant because it interferes with personal goal achievement (e.g. looking “cool” by renting the latest movie

thriller instead of finding “Benji” tucked inside the video case). Therefore, it is suggested that understanding what cultural model is at play can be helpful in effective service recovery programs.

Research Purpose

What guides this research inquiry is the quest to understand the views, perceptions, and beliefs of FLEs and how these perspectives might help improve customer-company interactions within the retail domain. While customers may interact and form relationships with a store, department, or specific retail employee, the focus here is on the interaction between the FLE and customer. Although there is a vast cache of literature exploring the service interface from the customer perspective, studies exploring the FLE as the main character are less prolific (for notable exceptions see Beatty *et al.*, 1996; Dean and Rannie, 2009; Goff *et al.*, 1997; Gremler and Gwinner, 2008; Gruber, Szmigin, and Voss, 2009; Varca, 2009). Customer-employee relationships can be effective in positively affecting customer-company relationships leading to loyalty (Boulding, Staelin, Ehret, and Johnston, 2005; Frow and Payne, 2007; Guenzi and Pelloni, 2004; Osarenkhoe, 2006; Yim, Tse, and Chan, 2008; Zeithaml *et al.*, 1996, 1998). Moreover, since FLEs are often more closely connected to customers than management or external parties such as vendors or consultants are, it is logical to assume that their insights are as valuable as those of any other stakeholder are.

METHOD

Because grounded theory is a research method designed to allow focus on context, process, intentions, and interpretations of key players (Locke, 2001; O’Reilly, Paper and Marx, 2012), it seemed the most useful and appropriate methodology for the study. Data collection occurred over the course of a six-month period and was guided by the constant comparison method, theoretical sampling, theoretical

coding and theoretical sensitivity related to CEM (Glaser and Strauss, 1967). A variety of data sources were used including open-ended reciprocal interviews, member-checking interviews, observation, and collection of participant and researcher artifacts. In total, 18 participants (as shown in Table 1) were interviewed and dozens of in-store observations of these FLEs and others augmented the transcription data. GT and these data sources are appropriate for this inquiry since “[...]

qualitative research and existing process theories may be applied to advance our understanding of buyer-seller relationships and relationship networks” (Plakoyiannaki and Saren, 2006, p. 226). While this study focuses on only one side of the customer-company dyad (FLEs) for in-depth interviews, observations occurring between FLEs and customers help to rigorously contextualize the findings, analysis, and interpretations of this work.

Table 1: In-Depth Interview Participant Profiles (US)

Pseudonym	Company Description	State
Alex	National Bank	UT
Beth	Call Center	UT
Brett	Home Cleaning Business	NJ
Brian	Home Restoration Business	UT
Dan	Call Center	UT
Donna	Home Improvement Retailer	UT
Dylan	National Book Retailer	UT
Grant	Regional Drug Store Chain	WA
James	Home Improvement Retailer	UT
John	Home Cleaning Business	UT
Josh	Home Cleaning Business	MI
Kim	Call Center	UT
Marcy	Hair Salon and Spa	UT
Matt	Tire Retailer	CO
Olive	Home Improvement Retailer	UT
Rebecca	Home Cleaning Business	GA
Sam	National Pet Supply Retailer	UT
Wendy	Call Center	UT

KEY FINDINGS

What Companies Want from Customer-Company Interactions

From drug store manager to hairstylist and from carpet cleaner to retail home improvement store employee, all participants directly referred to the need to develop a relationship with customers as a common goal for customer-company interactions. While the participants are very diverse in nature and included managers and rank-and-file retail employees as well as both product sellers (e.g. pet supply and bookstore employees) and service technicians (e.g. carpet cleaner, hairstylist), customer-

company interactions are referred to as the experience that would hopefully lead to a relationship.

For instance, Alex, a bank manager, said, “We have a whole process for the customer experience that we focus on to make sure that when the customer leaves they say, ‘Wow. That was my bank and I had a really good experience there.’” Rebecca talked about positive customer-company interactions in more detail and said, “Well, I think that the whole company culture should be centered on delivering an outstanding service experience... expressing concern, listening to the customer, being friendly, delivering the service in the way in

which you have been trained...” While the specifics of the experience may have nuances for particular businesses, common agreement exists in the data regarding what companies want from positive customer-company interactions: (1) to develop relationships with customers, (2) to leverage relationships with customers, and (3) to extend relationships with customers.

Develop Relationships

Developing relationships with customers is commonly reported as the reason why positive customer-company interactions are of vital importance. Understanding that customers have a choice when it comes to most products and services, participants like Josh explained that, “We treat them like they are a friend and regular customers, and don’t just assume that they are going to stick with us.” For participants, developing a relationship with customers means more than a single one-off transaction; it means developing a good (longer-term) relationship to help bring customers back repeatedly. “Ultimately, we all want customers to come back,” said Wendy.

FLEs recognize that the sustainability of their companies is at the heart of this motivation for a relationship with customers. For instance, Marcy said, “We want repeat clients. Our whole business revolves on that.” Doing what it takes to bring customers back rewards the customer (who experiences positive interactions), the merchant (who benefits from repeat business), and the FLE (who contributes to the value chain experience through customer relationship-building activities). This symbiotic condition is the essence of co-creating value between customers and all company stakeholders. Matt explained this idea well when he said, “I want them [customers] to know that when they leave that we had their best interest at heart... that it isn’t the almighty dollar; it is relationships and families, and ultimately, then the profits come.” In the minds of retail employees with a mindset like Matt, without a positive experience,

customers are not likely to come back; and if they do not come back, profitability is adversely affected.

Leverage Relationships

Once a relationship is established, FLEs are more likely (and able) to “cross sell” additional products and services to customers. Whether speaking with employees at banks, tire stores, or carpet cleaning service businesses, the ability to cross sell products and services to customers is how employees “leverage” customer relationships on behalf of their companies. Simply put, “We do focus on the cross sell...” explained Alex. Virtually all participants supported this notion. “We are trying to sell product, trying to get people to come back... we do upgrade [sell premium services] and try to add services on,” explained Marcy. However, participants also recognized that their ability to cross sell is directly affected by their ability to first form a relationship with customers. For instance, Josh said:

I don’t like to sell everything up front because I think it is too overwhelming and too pricey if you start there. But it is amazing that if you get done with part of the job and the customer feels comfortable with us, they are willing to buy the extra services...but you have to gain their trust first.

For some participants, while their actions are in line with a cross sell mentality, the notion of selling is not altogether desirable and many framed their actions as recommendations instead of selling. A good example of this is Brett saying, “We are not there to sell you anything. We are there to identify your needs and then recommend the solution... and that can lead into the cross selling on other items in the home.” Regardless of the semantics, employees view the relationship with customers as vital for effective cross selling and ultimately, for extending the relationship to include customer referrals.

Extend Relationships

Retail employees view the evolution of the relationship in linear terms: develop the relationship (repeat purchases) → leverage the relationship (cross sell) → and extend the relationship (referrals). These steps prove to be consistent across participants, venues, and products/services with customer referrals mentioned by several participants as the “Holy Grail” of retailing. When you consider the following comment, the value of referrals becomes a bit clearer. “Our best franchisees have high referral rates. These referrals generate the least expensive customer lead and are for a customer that the franchisee has a high probability of delighting...” explained Brian. This sheds light on the idea that a customer that is referred to a company is more likely to develop a relationship with that company, more likely to spend more money via cross-selling by the FLEs, and more likely to refer other customers to the company. While a few leaps of logic may exist in this scenario, this assumptive thinking is consistent across participants. “The only real true happy loyal customers you get are those that come to you from referrals...” proclaimed Brett. The analysis of the data suggests that FLEs are well vested in the belief that the evolution of the customer relationship is linear and that the strength of the relationship is measured by customer referral rates.

What Affects Relationships

While many of the ideas covered thus far are descriptive in nature, it was during these descriptive accounts that employees began to refer to issues of control (or the lack thereof) that they believe affect customer-company relationships. In an effort to delve deeper into this area, FLEs were asked to share what they could do to improve customer-company interactions. The employee insights shed light on their own role as well as the company processes and the supporting technology in

place to support customer-company interactions.

Issues of Control

The data suggests that FLEs consider certain aspects of their job to be frustrating. Most commonly, these aspects deal with situations or protocols in which employees have very little direct control. For instance, trying to handle customer issues when the retail employee feels s/he has no control over the advertising, pricing, scheduling, or job assignments creates a situation where the employee feels “caught in the middle” and results in feelings of isolation, resentment, or apathy. While employees are expected to maximize opportunities created by advertising, pricing, scheduling, or job assignments, they believe that they have little to no direct involvement in their creation and instead, end up just “cleaning up the mess” that result from these factors. While not always explicit in their use of language regarding control, FLEs are very clear that issues of control are a key component affecting relationships with customers. These control issues manifest consistently across participants into three categories: (1) The service experience, (2) the product/service offering, and (3) service recovery.

The Service Experience

The service experience is described by FLEs as the interaction taking place over the phone, in-store, or in the home. These experiences are related to the actual shopping and purchase of a product, or in the case of in-home service, when the technician arrives to perform the service.

Staffing. Inadequate staffing levels are considered an obstacle to delivering effective customer experiences. For instance Alex said, “I would like to see a little more staffing just to give us a little more staff to be able to handle the busier times and to handle the customer service experience instead of worrying so much about hours.” For others, more staffing would help to alleviate feelings of being

“overwhelmed.” Staffing levels are commonly described as “worse than ever” and employees feel “caught in the middle” since customer complaints about “not finding someone to help them” are one of the most common issues FLEs have to face when dealing with customers. Many participants reflected back to a time when staffing was greater. For instance, Dylan said:

When I first started working for the company, they used to say that you couldn't run a store on anything less than 800 hours in payroll. Right now, we average between 450 and 500 hours – so it is about half of what it used to be... what does that mean for customer service?

As part of the staffing conundrum, many FLEs talk about the advantage of being able to take more time with customers when there isn't a line or staffing is at the “right” level. They believe that more time with customers helps to build the relationship.

Pressure for cross selling. As mentioned, employees are motivated (via goals, incentives, or bonuses) to build relationships with customers. This is typically framed by the company as being “sensitive to customer needs or making customers feel welcome.” Yet, the purpose of the relationship as measured by the company is “to sell something” rather than to deliver good service for service's sake. Therefore, employees feel at times “abused” or “used.” Participants believe that “management doesn't really understand” and that if FLEs push too hard, the relationship may be damaged.

Tied to this idea is the need retail employees feel to find balance and not just “push, push, push; sell, sell, sell”... employees report wanting to sell, but do not want sales to come at the expense of their relationships with customers. “I think there needs to be a balance between the cross sell and the service and we have a lot of pressure for that cross selling...constantly it is a push and pull,” explained Alex. Driving the cross selling activities of employees are goals.

Goals are commonly discussed but often are mentioned by three standards: (1) what is good for the company, (2) how retail employees are measured against the goal, and (3) what is good for the customer. For instance, when discussing the goals a bank teller is measured against, Alex said, “I mean if it comes down to meeting our goals versus doing what is right, we are going to do what is right.” While this seems noble, will employee actions really follow this philosophy? Will employees willingly forgo financial payment (bonuses) and potentially mar their performance records by not hitting their performance goals to “do the right thing?” The answers to these questions directly impact the development of solid, long-term customer relationships and recent research suggests that incentives and performance goals of this nature can negatively impact service quality (Poujol, 2009).

Scripted interactions. Retail employees are simultaneously encouraged to “build relationships” with customers and to “follow protocol” that involves such things as: greeting customers within 3 seconds, or opening a new register if a customer line of 3 or more customers forms. Such protocols are designed to speed up the process for customers, and hopefully build good relationships at the same time. These “scripted interactions” are typically viewed by employees as either positive or negative with few expressing neutral feelings. From the positive perspective, having more scripted (automated) interaction protocols helps to speed up work and minimize the number of manual decisions that are made on each transaction, and to normalize, standardize, and therefore improve service delivery.

On the negative side, scripted interactions are often viewed as inhibiting the interactions between FLE and customer due to the lack of flexibility and the restriction on the FLE's ability to respond to specific and individual customer needs which is supported in the literature (Patterson and Baron, 2010). John said it best,

“The first step is to listen. Reps often just get hung up with scripted interactions and don’t really listen to what the customer is asking for... it takes effort and it takes very quick thinking to avoid that.” Being locked into a certain “work flow” for booking jobs is seen by employees as negative. Often customers just want to “book” but the agent is forced to follow a protocol reliant on the sequence of screens to get customer information first. These types of system designs are often blamed on Marketing and FLEs feel that these systems did not help them interact positively with customers.

Training and product knowledge. When discussing the service experience and their ability to interact with customers, it is interesting to note that employees talked in terms of what *could* benefit them, rather than what *does* benefit them. For instance, Donna is keenly focused on training and the further development of her product knowledge:

It is really good when an retail employee knows how to fix it or has done it, they [customers] really like it when you take them to a product they need and talk to them about it and what they are buying and explain to them the things about the product. These are things that impress the customer... when you actually know about a product and can tell them about a product.

However, as a cashier she indicated that she is not given the same opportunities as FLEs who work “on the floor.” Her use of language suggests that cashiers are considered to have lower status than other FLEs and she guessed this to be true since “cashiers have the highest turnover and are paid the lowest.” Considering that cashiers are typically located at the front of the store, they are likely the first employees to interact with customers. In light of this, it is interesting to consider that cashiers may have been in their jobs for the shortest time (high turnover), may be paid the least, and have less training than other FLEs. This same trend

appeared in all of the traditional brick-and-mortar retail locations included in this study, with the exception of the tire store, where the salespeople also act as cashiers.

The idea that training and product knowledge could help create a more positive customer-company interaction is shared across participants. Yet, very few expressed confidence regarding their current product knowledge. “You still need to know so many different things. When a customer comes in, they expect to get answers...there is so much expected from employees,” voiced Dan. For Olive, this lack of knowledge created a great challenge when she began and she shared that she was “so afraid that customers would ask her a question that she couldn’t answer.” Olive also admitted that she has had customers “complain about employees that don’t know anything.”

Technology. Like other participants, Wendy feels that technology both helps and hurts customer-company interactions: it helps from the standpoint of being able to share information to resolves issues quickly, and it hurts from the perspective that it makes the interactions less personal. She goes on to say, “So you lose the people part of it and even with all the systems and computers and booking a carpet cleaning job online, eventually you need a voice... you still need people.” This echoed a surprising undercurrent from FLEs: technology aversion. Marcy reflected, “... like the whole texting thing is so huge, but I hate it. I’ll do it out of necessity because that is what everybody does. Nobody wants to talk anymore; it drives me crazy.” Josh also feels strongly regarding technology in the retail setting and explained, “I think maybe it is a process that could be changed... away from the mechanization or the computerization of the business.” He went on to say, “The more human beings we bring into the company, the more successful we are.” Resistance to technology may be simply that FLEs feel threatened by it and its role in job eliminations or staff reductions. Regardless,

most participants expressed a similar idea to Dan's, "Online booking is an impersonal process, and is frustrating for customers." John supported this notion when he talked about the likelihood of miscommunication with customers, "Online is the worst, over the phone is probably better, and face-to-face is the best." From the interviews, the notion emerged that as retail operations grow, the focus shifts from enhancing high-touch customer-company interactions to streamlining low-touch, high-tech transactions. Many participants insinuated that their company is more concerned with streamlining the transaction through technology systems such as voice operated toll free numbers, online ordering, and web-enabled customer feedback surveys than the company is with improving customer-company interactions that occur face-to-face. Many chalked this up to profit motives and this idea is captured well by Josh when he said, "It seems to me that they [company] are going to do anything and everything they can to get more profits. Period."

During further questioning of participants, it is clear that the idea of online systems is not inherently negative, but that the current systems in place are not well designed. For most participants, it is the system design that created the biggest customer-company interaction challenges. Dan believes that as companies get bigger, their service and the means by which they communicate with customers gets more impersonal. Dan says that most of his customers will book either online or over the phone, "Which is very impersonal." As an employee, Dan too finds it difficult to navigate the 1-800 phone system of his company, "To call the toll free number it's a maze..." In the words of Kim, "This would be impossible but... if we could actually book people and schedule it; not just enter it, then they [customer] wouldn't have to get a separate phone call to see when they can schedule." Stronger sentiment for this issue is

voiced by Brian when he said, "They put the customer lead in Siebel (store's lead management system) and then it goes off into Siebel hell and ends up with us about 48 hours later... so our close rate is much, much, much worse."

The constraints of poorly designed and outdated systems that are not integrated seemed core and consistent across participants. In the words of Olive, "I think this system is really outdated... I know they keep talking about updating it because it is kind of hard to manage and move around on because it is so old ..." James echoed this same thought:

A lot of our systems are not aligned together...we'll have to enter in our ID and code six different times...if I want to do my email, I enter in my password and code, if I want to get into the store systems, do it again. If I want to go into the store portal, I'll enter it again. And they are supposed to be working on rolling all those together. These mobile carts right here, this is what we order with...Same thing, they are not integrated.

These comments indicate both a reluctance of FLEs to fully embrace the technology systems of their companies, and point to a lack of effective system design, development, and implementation in retail settings.

The Product/Service Offering

Advertising, pricing, and inventory stocking levels are viewed as key issues consistently being faced by retail employees. Participants discussed advertising from the standpoint of employees having little control over what products are featured, what prices are promoted, and whether inventory is ordered to support the advertising. Brian talked about the advertising this way, "...We send them [corporate] what we think the ad should look like, and they completely screw it up... no offer, no call to action." Employees feel as if they are dealing with problems they did not create. "I

think in some ways, we have our hands tied behind our backs a little bit because we don't set pricing, we just deal with the issues," said Beth.

Connected to the pressure to cross sell is the idea that employees are held to certain performance goals but are expected to sell some products or services that are not competitive. "We are not giving the best price either, so we are almost competing with ourselves... we lose a lot of jobs," complained Dan. Alex explained this in detail when he said, "We should be a little more liberal with the lending... our auto loan rates are at the higher end so it is really hard for us to hit our loan goals when our rates are higher than typical." Beth voiced this same concern, "We try to compete with price, but we are usually a little bit higher. Sometimes we are double the competition."

Consistent across participants is the importance of having a good assortment and stocking inventory of the items customers want. While a seemingly simple idea, Grant explains, "The big bugaboo in retail is that there are always new products coming out all the time. The store doesn't get any bigger, so where do you put this stuff?" Grant noted that larger companies tend to focus more on inventory in terms of total dollar inventories and turnover rates. These two metrics tend to be easily measured by inventory systems and involve more of a total inventory rather than SKU-by-SKU analysis. Relying on total dollar and inventory rates as sole performance measures can result in a total inventory value that meets company standards yet still contains numerous SKU-by-SKU out-of-stocks.

Considering Grant's idea, it is interesting to reflect upon the reliance of retailers on their inventory systems. It is clear from the participant interviews that these systems are the key to inventory, stocking, and reordering with few FLEs "allowed" to order or provide stocking input. Yet it is typically the cashier, the

least-paid and least-trained employee, who is responsible for correctly ringing up items, handling customer returns, or product exchanges. Accuracy at the cash register provides the core data that the systems use to determine stocking levels and replenishment. Solely relying on perpetual inventory (dollar and SKU) reports based on the entry by these junior retail employees is unlikely to result in ordering that will satisfy customer needs or enable the organization to react well to emerging trends. Reliance on such metrics also explains why out-of-stocks are a common customer complaint mentioned by participants.

Service Recovery

Service recovery, or the ways in which customer-company conflict is handled, creates challenges for FLEs across venues. Often the process for service recovery inadvertently places certain employees in the middle between the company and customer interests because they work at the service desk or handle customer issues over the phone or via the Internet. As Donna explained, "I used to work in special services at the service desk... I love that... you know, all the problems and whatever came to that desk." However, by creating central foci for service recovery, only select employees feel empowered to solve issues. For all others, it can feel like a no win scenario. John explained this idea, "We deal with that all the time. The store says this and the customer says that...So we get left holding the bag." Adding to the complexity, employees have varied views and orientations as to how customer issues should be resolved. Although Donna enjoyed working at the service desk, she too felt the acute pressure to conform to shifting demands by management:

Someone once explained to me that retail is kind of like a pendulum. Like sometimes, they [management] are really strict about procedures and policies and then the next year they are super lax and want to make sure customers are really happy...So I think that

there is always the need to find a balance. We are definitely in the customer service phase right now. When I first started - it was so specific about markdowns, rules, and stuff like that. And you know it didn't matter if the customer got frustrated, well it did, but the rule went first. Now it's like we don't care - make 'em happy, make 'em happy, make 'em happy. I feel like it is too much since I work in returns. Does that mean I have to take back *everything*?

In this scenario, we can glimpse how Donna sees herself caught in the middle between customer issues and management policies. Stefan, Bowen, and Johnston (2009) support this notion and argue that service recovery efforts fail often due to unresolved tensions like those described by Donna and others. Considering that Donna works at a service desk in a brick-and-mortar store, she may find it even harder since she is dealing with customers face-to-face. The data revealed a difference between those employees dealing with customers face-to-face and those interacting over the phone or via the Internet.

Employees that deal with customers face-to-face are more "relationship focused" than the employees dealing with customers over the phone or via the Internet. This contrast is very clear when one considers the words of James, who deals with customers face-to-face, compared with Wendy, who typically deals with customers over the phone. James said, "It is really about keeping customers happy; our district manager said, 'We don't have a return policy. Just take it.'" In contrast, Wendy's perception is very different. She said, "The store just throws money at it [customer issues], but they don't really make the customer feel good." The philosophical orientation of the FLEs involved in service recovery seems related to whether they believe that problems are being resolved, or simply "swept under the rug."

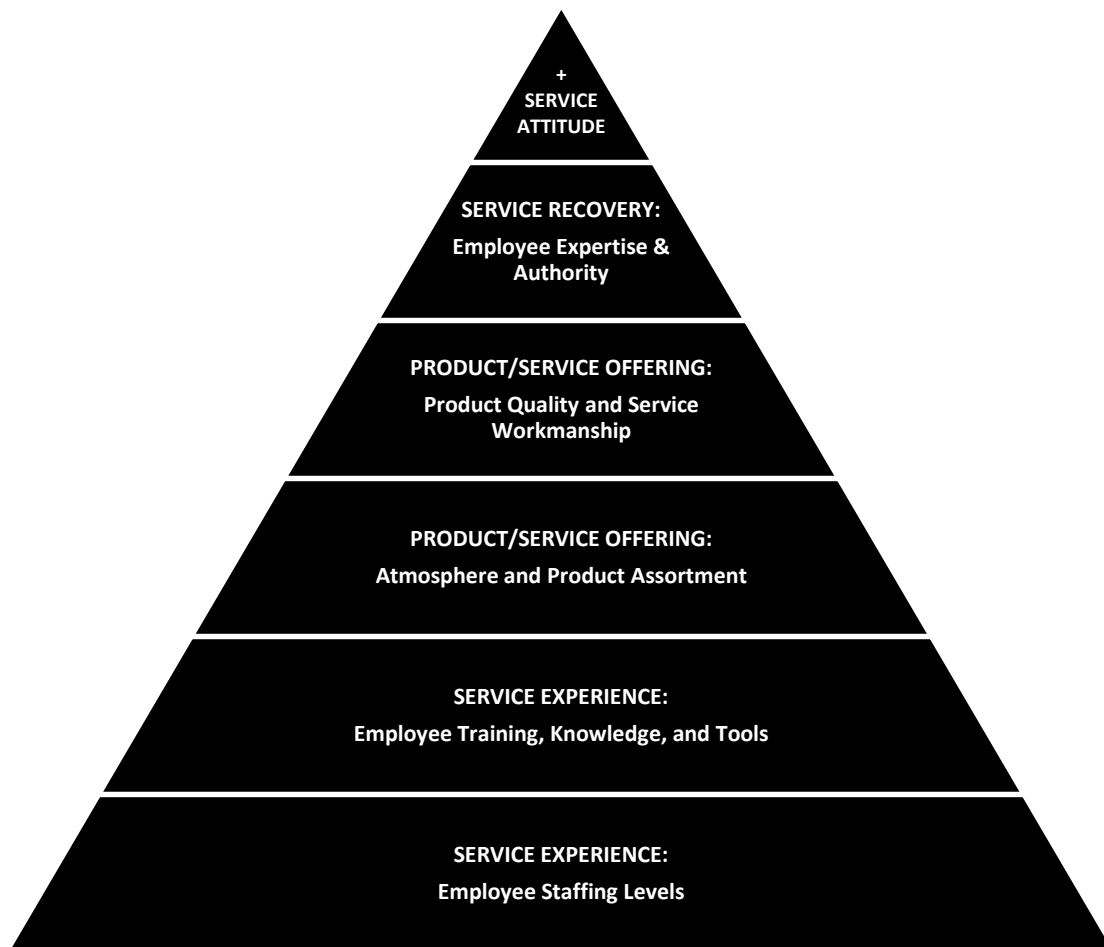
In addition, participants responsible for service recovery efforts feel held to standard procedures with no control over policy. Wendy explained:

I wish those of us on the phone with the customers had a little bit of something we could do...something we could offer because that is the hardest part when you are on the phone handling the customer complaint... we can't really do anything.

Regardless of an FLE's service recovery orientation, most expressed frustration that they had no "real control" and that their managers "didn't understand." Beth explained this well when she said, "I don't think they [management] understand...if they could see on a daily basis what we have to deal with at the customer level...I think they would be surprised."

MANAGERIAL IMPLICATIONS

Analysis of the issues described by FLEs as factors affecting their relationships with customers formed a hierarchy of needs that retail employees believe will result in better service, positive customer-company interactions, and happier employees. This hierarchy, culled from the data, is shown in Figure 1 and is supported by recent research findings (Ueno, 2010). The components of the hierarchy are the result of one interesting question: What would you change if you were the President of the company? From the responses, issues were categorized for likeness and frequency across participants. While many FLEs described the need for a positive "service attitude," it is clear that they believe their attitude (good or bad) is conditional upon whether management provides the environment, knowledge, tools, and authority FLEs need in their jobs.

Figure 1: Hierarchy of Needs for Positive Customer-Company Interactions

As mentioned previously, staffing is the most mentioned “gap” cited by participants across all business types. Without higher staffing levels, employees perceive that positive customer-company interactions cannot develop, regardless of other hierarchical components that may be in place such as training or technology. Secondly, employees believe that companies should ensure that all employees are provided with training, knowledge, and tools (technology) to perform their jobs. This is an interesting finding since many participants stated that their companies prioritize these items in the reverse order with management believing that they can staff the stores with fewer employees if they train them better. Also adding to the intrigue of this issue is that both retail managers and rank-and-file retail employees agree that customers’ most

common complaint is “not finding someone to help them” followed by “finding a knowledgeable employee to help.” These common and agreed upon customer complaints add credence to the position of FLEs regarding the staffing and training of employees. Once staffing levels are optimized and employees are provided the proper training, knowledge, and tools; employees are keenly focused on the atmosphere, assortment, stocking levels, and product quality and/or workmanship of the product and/or service offering(s) as crucial for relationship development. This hierarchical component is viewed by employees in an interesting way. As they see it, if the company doesn’t have enough properly trained employees “on the floor”; good workmanship and service is unlikely to be delivered to customers. However, with good coverage of

properly trained employees, better information is likely to be supplied to management to help improve product selection, assortment, and quality. The last components on the hierarchy relate to the service recovery efforts of the company and the degree that employees are empowered to handle customer issues and inquiries. Without the ability to fully assist customers, FLEs believe that customers and employees become frustrated which directly affects their service attitude.

Not surprisingly, retail employees consistently indicate that all of the hierarchy's components are critical; i.e., the absence of any component would cause service failures or customer-company interaction breakdowns. While this hierarchy is based on the perceptions of just one side of the dyad (FLEs), it is interesting to note that many of the companies in this study prioritize the hierarchical components differently than FLEs. Most notable is the idea expressed by participants regarding how management prioritizes these needs. For example, FLEs believe that management uses an inverse hierarchy whereby management hires employees with the right service attitude and provides extensive training to this small unique pool of FLEs. By doing so, management believes that the remaining hierarchical components will "take care of themselves."

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Concluding Remarks

Developing, leveraging, and extending customer relationships are a priority of service firms. Done successfully, this strategy can result in positive relationships with more customers, who spend more money on each visit, shop more frequently and generate new referral sources for the company. Berry *et al.*, (1994) state,

Excellent service is a profit strategy because it results in more new customers, more business with existing customers, fewer lost customers, more insulation from price competition, and fewer mistakes requiring the reperformance of services.

While FLEs understand this strategy, they believe that management does not prioritize the necessary components of the service experience, product/service offering, or service recovery initiatives properly for effective customer-company interactions. Subsequently, these managerial decisions of priority affect the FLEs' ability to develop, leverage, and extend customer relationships. Therefore, by reprioritizing the hierarchical components, FLEs are more likely to deliver on management's goals of developing, leveraging, and extending customer relationships in a profitable manner.

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CUSTOMERS' OPINION ON SMALL SCALE RETAIL STORES - A CASE STUDY

K. Rama Mohana Rao & K. Ratna Manikyam

Abstract

Indian Retail sector is dominated by small scale retails. Organized sector occupied only 5 per cent share in the total retailing. The presence of millions of small scale retails in different product categories makes to realize that the large number of people is depending on this activity. In the light of severe competition threats from the fast growing and more challenging big retailers in the fast changing scenario, the survival and growth of small scale retailing depends upon their ability to provide customer satisfaction. Customer loyalty and support are the pillars of success for these retailers. The present study aims to study the opinion of customer on small scale retail establishments. The customers' opinion on facilities, ambience factors, communication, sales promotion techniques, and services performance of small scale retailers are ascertained and analyzed in this paper.

Keywords: *Ambience factors, Customer loyalty, Means of Communication, Retailing, Sales promotion techniques,*

Introduction

Retailing involves selling goods and services in small quantities directly to customers. It consists of all activities involved in marketing of goods and services to consumers directly for their personal, family and household use. The retail industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market (Dhanabhakya M. and Shanthi A). The retail opportunities are at the peak in recent years. The new entrants into the business find excellent opportunities to establish themselves and to achieve desired growth. India is expected to account for the third largest share at US\$ 2.7

billion in 2015 in Asia (Research Firm Ovum, 2011). According to the Business Monitor International's (BMI) India Retail Report for the second-quarter of 2011, the total retail sales in India will grow from US\$ 395.96 billion in 2011 to US\$ 785.12 billion by 2015. Strong underlying economic growth, population expansion, the increasing wealth of individuals and the rapid construction of organized retail infrastructure are key factors behind the forecast growth. With the expanding middle and upper class consumer base, there will also be opportunities in India's tier II and III cities (www.ibef.org). The Indian retailing industry is becoming intensely competitive, as more and more players are vying for the same set of customers.

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Retail in India – Historical Perspective

The Indian retail industry is divided into organized and unorganized sectors. Organized

retailing refers to trading activities undertaken by licensed retailers such as those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, such as the local *kirana* shops, owner manned general stores, *paan/beedi* shops, convenience stores, handcart and pavement vendors, etc (www.cci.in).

In the beginning there were only kirana stores called Mom and Pop Stores, the friendly neighbourhood stores selling every day needs. In the 1980s manufacturer's retail chains like DCM, Gwalior Suitings, Bombay Dyeing, Calico, Titan etc. started making its appearance in metros and small towns. Multi brand retailers came into the picture in the 1990s. In the food and FMCG sectors retailers like Food world, Nilgiris are some of the examples. In music segment Planet M, Music world and in books Crossword and Fountainhead are some others. Shopping Centres began to be established from 1995 onwards. A unique example was the establishment of margin free markets in Kerala (Sreejith A. and Jagathy Raj V. P, 2007). The 21st century saw the emergence of super markets and hyper markets. Big players like Reliance, Bharti, Tatas, HLL, ITC etc. entered into the organized retail segment. The international retail bigwigs are waiting in the wings for favorable FDI guidelines to establish their own retail outlets in the country.

According to CPAS study, the unorganized retail sector of small and medium retailers employs over 40 million people. There are 11 retail outlets for every 1000 people (Singhal, Arvind 1999) in India. This fact suggests a considerable element of 'forced employment' in this sector. Only 4 per cent of India's 11 million retail outlets have floor areas in excess of 500 sq.ft. (Anil Sasi, 2004). This should dispel any image of any preponderance of large-scale retailing we

may have derived to the size of the old established downtown retail outlets and in the new suburban malls. Retail in India is mostly the millions of tiny shops with pucca and semi-pucca premises, and millions more on handcarts and pavements (Mohan Guruswamy and Kamal Sharma).

Reasons for Retail Sector Boom in India

The most important factors responsible for retail sector development in India are liberalization of the economy, upward mobility of middle class, shifting consumer demands, and expansion of ICTs (A.T.Kearney Report, 2007). Since the liberalization of the economy there has been a visible impact on the income level of the middle class, which as a whole is upwardly mobile, with a huge disposable income in hand. Along with this there has been a change in the spending habits with more focus on improving the quality of life through increasing consumption of high end products, which previously the middle class refrained from using (Shaoni Shabnam and Bino Paul G.D, 2008). Thus, the changes in economic and industrial policies in India, growth in the size of middle income households, changes in consumer buying and consumption habits, technology and information access to consumers, and the changing life styles are some of the prominent reasons for retail sector boom in India.

Indian shoppers are very different in many ways from their counterparts elsewhere in the world. Loyalty is not a virtue with the Indian shopper. According to Mc Kinsey report in Indian retail great Indian bazaar, around 60 per cent of the consumers surveyed bought from more than one retailer compared with 10 per cent in Brazil and 24 per cent in China. Indian consumers associate packaged food with lack of freshness and it is not surprising that almost 65 per cent of respondents indicated they will never buy packed fruits or vegetables compared to 24 per cent in China and 6 per cent in the US. Also,

shoppers in India place a lot of importance on convenience. Around 64 per cent buyers surveyed said they do not mind paying extra for conveniently located stores, compared with 31 per cent in China. According to the survey, women in India prefer ethnic apparel and jewellery. More than 75 per cent women's clothing and 85 per cent jewellery sold in India are traditional in style and design. Around 38 per cent shoppers in India said they buy clothes mostly for special occasions; only 6 per cent Chinese and 3 per cent Russians are driven by occasions for most of their apparel purchase. Indian shoppers are willing to compromise a bit on food and grocery, the survey says. For instance, 57 per cent respondents said buying a well-known brand of shampoo is important; while as many as 49 per cent indicated that they were willing to buy lesser-known brands. When it comes to electronic goods, almost 85 per cent shoppers said they would only go with a reputed brand (Great Indian Bazaar, 2008).

The Indian consumers are not simple and accepting, they want the lowest prices for the best quality at convenient locations along with quality service and some freebies thrown in for good measure. Success in India depends on understanding the complexities of a diverse country, evaluating its potential in terms of a company's customer focus and having a plan that can be adapted to the Indian consumer. Retail in India has always been a lucrative business. Traditionally, the Vaishya's were the trader class and their businesses were passed on from father to son. Even now, small family-run stores, also called Kiranas, offer consumers low prices, convenient locations, longer store hours and home delivery at no extra charge. Not surprising that they have traditionally dominated the Indian retail sector. These stores have low operating costs as they employ household labour and usually pay no taxes. According to a Research and Markets study, in 2003 there were over 12 million retail stores in India, of which about 78 per cent were small

family run enterprises using family labour. India's retail industry has traditionally followed no recognizable format, but has grown organically, attuned to local needs. This has made it hard for traditional retailers to adapt to new ways of doing business and competing with international retailers (Shalini Bahadur, 2006).

Small scale retailers continue to play vital role in Indian retailing in spite of the tremendous growth of organized retailing in recent years. The consumers are lured by the big retailers by providing many shopping experiences. The fact is that the big and small retailers are fighting for the same consumer. In the changing scenario, the studies of consumer opinion are small scale retailers proves vital for the sector and to the policy makers. The present study was taken up with an objective of eliciting customer opinion on various aspects of small scale retailing and to identify gaps between customer expectations and the retailer services.

Research Methodology

The study covers small scale retail units in different retail categories. For the purpose of the study, five retail categories were selected based on the number of retailing units established in Andhra Pradesh. The five categories selected for the study are food and grocery, textile and apparel, electrical and electronics, jewellery, and footwear. To elicit the opinion of the customers on small scale retail establishments, a sample of 450 customers are selected from the three regions of the state viz, Coastal Andhra, Telangana and Rayalaseema. Scaling techniques were used to measure the opinions and weighted scores are calculated for analysis and interpretation. Scaling technique is used to ascertain opinions. The five point scale ranging from strongly agree to strongly disagree was used. The data obtained with the use of likert scale has been converted into weighed scores as shown below.

Scale:	Weight
Strongly agree	5

Agree	4	Likert scale: MPS of any variable = 5
Neutral	3	n of variable x 5 = MPS of that variable.
Disagree	2	(The score obtained by each variable/MPS) x
Strongly disagree	1	100 = % to MPS
Score: n x rating x weight		(Total number of respondents x Maximum
Wherever scores are calculated weighed mean,		weight = MPS)
and percentage to Maximum possible score		
(MPS) are calculated for data analysis.		

For example:

Particulars	Food & Grocery
Score	64
Maximum Score	N x max. weight = 45 x 3 = 135
% to MPS	(64/135) x 100 = 47.41

The following are the findings of the study.

A. Opinion on Facilities Offered

The opinion of the respondents on facilities provided by small scale retailers was presented in Table 1. The facilities include space to move freely in the shop, access to product-shelves, delivery of goods ordered through telephone, exchange of products, support of the sales personnel and desired goods in stock. The study reveals that 'space to move freely in the shop' is the top rated facility which secured a score of 7818 representing 69.49 per cent to MPS (mean

value 3.47). 'Desired goods in stock' is the facility that secured the second place in rating with a score of 7299 which represents 64.88 per cent to MPS (mean value 3.24). The facility that is rated third was 'support of sales personnel'. This facility secured a score of 6833 representing 60.74 per cent to MPS. The scores obtained by each facility as a percentage to MPS varied between 51.82 per cent and 69.49 per cent. The mean values of the facilities varied between 2.80 and 3.47.

Table 1: Opinion on the facilities offered by the small scale retailers.

Particulars	Score	WM	% to MPS
Space to move freely in the shop	7818	3.47	69.49
Access to product-shelves	6696	2.98	59.52
*Delivery of goods ordered through telephone	2332	2.59	51.82
Exchange of products	6308	2.80	56.07
Support of the sales personnel	6833	3.04	60.74
Desired goods in stock	7299	3.24	64.88

WM=Weighed Mean, MPS=Maximum Possible Score

* *Applicable only to food and grocery and electrical and electronics categories.*

Source: primary data

Table 2 presents the top three rated opinions on the facilities provided by different categories of small scale retailers. 'Desired goods in stock'

and 'Space to move freely in the shop' are the two factors found in the top three ratings of four categories. 'Support of the sales

personnel' is the factor identified in three categories. 'Access to product shelves' was considered as important facility in textile and apparel and jewellery categories. 'Delivery of goods ordered through telephone' is one of the

top rated facilities in food and grocery categories while 'exchange of products' is the facility specially recognized in textile and apparel category.

Table 2: Top three rated opinions on the facilities provided small scale retail shops.

Factor Ratings	Food & Grocery	Textile & Apparel	Electrical & Electronics	Jewellery	Footwear
1	Desired goods in stock	Space to move freely in the shop	Desired goods in stock	Space to move freely in the shop	Space to move freely in the shop
2	Support of the sales personnel	Access to product-shelves	Space to move freely in the shop	Access to product-shelves	Desired goods in stock
3	Delivery of goods ordered through telephone	Exchange of products	Support of the sales personnel	Desired goods in stock	Support of the sales personnel

Source: primary data

B. Opinion on Ambience Factors

Ambience factors play an important role in marketing of retail services. These factors influence the behaviour of the consumers in participation of the service production and consumption process. The opinion of the respondents was elicited in the study on the factors such as lighting, ventilation, colouring walls and ceiling, decoration, air conditioning, store display, cleanliness, spatial layout, signage, seating arrangements, and orderly placement of products. The data presented in Table 3 reveals that 'lighting' is the highly rated

ambience factor. This factor got an overall score of 8803 which represents 78.29 per cent to MPS. 'Orderly placement of the products' got the second place with a score of 7665 representing 68.13 per cent to MPS. 'Cleanliness' occupied the third place with a score of 7572 per cent to MPS. All the ambience factors rated by the respondents got mean values >3 each except the factor 'air conditioning'. The scores obtained by each factor as percentage to MPS varied between 55.68 per cent and 78.29 per cent.

Table 3: Opinion on the ambience factors of small scale retailers

Particulars	Score	WM	% to MPS
Lighting	8803	3.91	78.29
Ventilation	7342	3.26	65.26
Colouring walls & ceiling	7528	3.35	66.92
Decorations	7286	3.24	64.76
Air conditioning	6264	2.78	55.68
Store display	7486	3.33	66.54
Cleanliness	7572	3.37	67.31
Spatial layout	7277	3.23	64.68
Signage	6864	3.05	61.01
Seating arrangements	7301	3.24	64.90
Orderly placement of the products	7665	3.41	68.13

WM=Weighed Mean, MPS=Maximum Possible Score; Source: primary data

Table 4 shows the top three rated opinions of the respondents on the ambience factors of different categories of small scale retailers. 'Lighting' is the most prominent factor occupied the first place in rating in all the retail categories under the study. 'Orderly placement of the products' contributed to the ambience in food and grocery and electrical and electronics retail categories. 'Ventilation' is the prominent ambience factor in food and grocery while

'colouring walls and ceiling' contributed significantly to the ambience in textile and apparel category. 'Cleanliness' is the factor identified in electrical and electronics and jewellery categories. 'Store display' got a special significance in textile and apparel while 'spatial layout' is rated as one of the three important ambience factors in footwear category.

Table 4: Top three rated opinions on the ambience factors of small scale retailers

Factor Ratings	Food & Grocery	Textile & Apparel	Electrical & Electronics	Jewellery	Footwear
1	Lighting	Lighting	Lighting	Lighting	Lighting
2	Orderly placement of the products	Store display	Cleanliness	Air conditioning	Seating and arrangements
3	Ventilation	Colouring walls & ceiling	Orderly placement of the products	Cleanliness	Spatial layout

Source: primary data

C. Opinion on Display

The opinions of the respondents' attractiveness to display in the retail outlets were ascertained and presented in Table 5. The study revealed that 'store front windows' used for display are more attractive in the case of food and grocery, textile and apparel and footwear categories. In the case of electrical and electronics and jewellery categories 'display in showcase' is more attractive for the respondents. The display in store front windows attracted about 81 per cent of the respondents in footwear category, 54 per cent of the respondents in textile and apparel category and 47.11 per cent

of the respondents in food and grocery. The display through showcase attracted 94.45 per cent of the respondents in jewellery category, 81.11 per cent of the respondents in electrical and electronics category, 45.33 per cent of the respondents in textile and apparel and about 33 per cent of the respondents in food and grocery category. Display at found space could attract a few respondents in textile and apparel, jewellery, electrical and electronics and footwear categories. However, about 1/5 of the respondents got attracted to display at found space in food and grocery retailers.

Table 5: Types of display attracts the most

Particulars	Food & Grocery	Textile & Apparel	Electrical & Electronics	Jewellery	Footwear
Store front windows	212 (47.11)	243 (54.00)	78 (17.33)	24 (05.33)	364 (80.89)
Showcase	147 (32.67)	204 (45.33)	365 (81.11)	425 (94.45)	74 (16.44)
Found-space	91 (20.22)	3 (00.67)	7 (01.56)	1 (00.22)	12 (02.67)
Total	450 (100.00)	450 (100.00)	450 (100.00)	450 (100.00)	450 (100.00)

Source: primary data

D. Opinion on Means of Communication

The small scale retailers adopted varied means to communicate their marketing offers. The study revealed that the retail categories under study are communicating the customer through advertisements in news papers, advertisements in local T.V. channels, distribution of leaflets, hoardings, advertisements in cinema halls, audio on wheels, display at entry points, exhibitions and trade shows, sales personnel, radio, and wall writings.

The effectiveness rating of various communication sources from the retailers of the five categories under the study were

presented in Table 6. The study reveals that 'sales personnel' is the most effective source of communication in small scale retail units. This source secured a score of 8871 representing about 79 per cent to MPS. 'Advertisements in news papers' secured the second place in effectiveness as this source got a score of 6446 representing 57.30 per cent to MPS. 'Display at entry points' is the source that was rated the third by the respondents. This source got a score of 5691 representing 50.59 per cent to MPS. All other sources got less than 50 per cent rating for their effectiveness by the respondents.

Table 6: Ways of communication about various offerings by the small scale retailers

Particulars	Score	% to MPS
Advertisements in news papers	6446	57.30
Advertisements in local TV channels	3433	30.52
Distribution of leaflets	4313	38.34
Hoardings	2544	22.61
Advertisements in cinema halls	1477	13.13
Audio on wheels	2843	25.27
Display at entry points	5691	50.59
Exhibitions and trade shows	2758	24.52
Sales personnel	8871	78.85
Radio	1893	16.83
Wall writings	2903	25.80

MPS=Maximum Possible Score

Source: primary data

The top three communication sources of the respondents were shown in Table 7. 'Sales personnel' is identified as one of the top three

communication sources by the respondents in all retail categories under the study. 'Display at entry points' has been the source of

communication in food and grocery, electrical and electronics, and footwear categories. 'Distribution of leaflets' was identified as one of the top three sources of communication in food and grocery and electrical and electronics categories. 'Advertisements in news papers'

and 'advertisements in local TV channels' are perceived effective in the case of textile and apparel and jewellery categories. 'Advertisements in news papers' were also found effective in footwear category.

Table 7: Top three rated means of communication about offerings by the small scale retailers.

Ratings	Food & grocery	Textile & apparel	Electrical & Electronics	Jewellery	footwear
1	Sales personnel	Sales personnel	Sales personnel	Advertisements in news papers	Sales personnel
2	Display at entry points	Advertisements in news papers	Display at entry points	Sales personnel	Display at entry points
3	Distribution of leaflets	Advertisements in local TV channels	Distribution of leaflets	Advertisements in local TV channels & Display at entry points	Advertisements in news papers

Source: primary data

E. Opinion on Sales Promotion Techniques

The opinion of the respondents on the sales promotion techniques adopted by small scale retailers are ascertained in the study. The sales promotion techniques adopted by retailers include credit, free servicing, offering products for trial use, discounts, gift coupons, display of products, free offers, product bundling, saving schemes, and finance schemes.

The overall opinions of the respondents on sales promotion techniques adopted by the selected small scale retail categories were presented in Table 8. It can be seen from the

table that 'display of products' is considered as the highly favoured sales promotion technique by the respondents. This factor secured a score of 7549 representing 67.10 per cent to MPS (mean value 3.36). 'Discounts' occupied the second place as this technique got a score of 6105 which represents 54.27 per cent to MPS while 'credit facility' occupied the third place with a score of 5337 representing 47.44 per cent to MPS. Free servicing, product bundling, saving schemes, and finance schemes got less than 30 per cent rating as sales promotion techniques used by small scale retailers.

Table 8: Response to the sales promotion techniques adopted by the small scale retailers

Particulars	Score	WM	% to MPS
Credit	5337	2.37	47.44
Free Servicing	3044	1.35	27.06
Offering products for trial use	3937	1.75	35.00
Discounts	6105	2.71	54.27
Gift coupons	5113	2.27	45.45
Display of the products	7549	3.36	67.10
Free offers	3968	1.76	35.27
Product bundling	2890	1.28	25.69
Saving Schemes	733	0.33	6.52
Finance schemes	689	0.31	6.12

WM=Weighed Mean, MPS=Maximum Possible Score; Source: primary data

The top three rated sales promotion techniques adopted by small scale retailers as per respondents' perceptions were presented in Table 9. 'Display of products' is found as effective sales promotion technique across the retail categories. This technique was identified as one of the three rated sales promotion techniques. 'Offering products for trial use' was identified in textile and apparel, jewellery, and

footwear categories as effective sales promotion technique. 'Discounts' is identified effective in textile and apparel, electrical and electronics and footwear categories. 'Credit and product bundling' are special for food and grocery retailing as sales promotion techniques while 'free servicing' is specific to electrical and electronics and jewellery categories.

Table 9: Top three rated sales promotion techniques adopted by the small scale retailers

Ratings	Food & grocery	Textile & apparel	Electrical & Electronics	Jewellery	footwear
1	Credit	Discounts	Display of products	Display of products	Offering products for trial use
2	Product bundling	Display of products	Free servicing	Offering products for trial use	Display of products
3	Display of products	Offering products for trial use	Discounts	Free servicing	Discounts

Source: primary data

F. Problems with Retailers

The problems listed by the respondents with the small scale retailers include high prices, discriminative prices, discrimination in extending services, false information, pressure-selling, limited product range, adulteration, poor quality standards, cheating in weight and selling duplicate products. The data relating to the rating of the respondents on the problems faced with small scale retailers belonging to categories under study were presented in Table 10. It can be seen from the table that all the problems got a score

representing less than 50 per cent to MPS. The mean values of each of the problems varied between 0.17 and 1.21. The scores of the problems as a percentage to MPS varied between 5.75 per cent and 40.40 per cent. It can be inferred from the data that the respondents are not faced any serious problems with the retailers. However, the problems such as high prices, discriminative prices and limited product range need to be addressed by the retailers as they are identified by large number of respondents.

Table 10: Problems faced with small scale retailers.

Particulars	Score	WM	% to MPS
High prices	2727	1.21	40.40
Discriminative prices	2241	1.00	33.20
Discrimination in extending services	1050	0.47	15.56
False information	1452	0.65	21.51
Pressure-selling	649	0.29	09.61
Limited products range	1938	0.86	28.71
Adulteration	975	0.43	14.44

Poor quality standards	1427	0.63	21.14
Cheating in weighment	497	0.22	07.36
Selling duplicate products	388	0.17	05.75

WM=Weighed Mean, MPS=Maximum Possible Score

Source: primary data

Table 11 presents the top three rated problems faced by the respondents with the small scale retailers. 'High prices' is the problem rated in food and grocery, electrical and electronics and jewellery retailing. 'Discriminative prices' is the problem rated in textile and apparel, electrical and electronics, and footwear categories. 'Limited product range' is the problem

identified with food and grocery, jewellery, and footwear. 'Adulteration' is the problem identified in food and grocery while 'false information' is the problem identified in electrical and electronics and also 'poor quality standards' is the problem recognized by the respondents in jewellery and footwear categories.

Table 11: Top three rated problems with small scale retailers

Factor Ratings	Food & Grocery	Textile & Apparel	Electrical & Electronics	Jewellery	Footwear
1	High prices	Discriminative prices	Discriminative prices	High prices	Discriminative prices
2	Limited products range	Poor quality standards	High prices	Limited products range	Limited products range
3	adulteration	False information	Discrimination in extending services	Poor quality standards	Poor quality standards

Source: primary data

G. Opinion on Performance of Small Scale Retailers

The respondents were asked to give their rating on the performance of small scale retail stores on the factors such as products information, customer classification and treatment, service recovery, handling consumer grievances, dealing with aggrieved customers, information reporting, techniques in receiving the customers into the shop, techniques of identifying the exact needs of customers, exhibition of the products to the customers, explaining the features of the products to the customers, explaining the features of the products and the shop, techniques of persuading the customers to buy the products, and products placement/window display.

The ratings of the respondents on the performance of small scale retail units under the selected five categories were presented in Table 12. The data shown in the table reveals that the factor 'explaining the features of the products and the shop' got the highest score of 8013 representing 71.23 per cent to MPS (mean value 3.56). The factor 'exhibition of the products to the customers' got the second place in performance rating with a score of 7779 which represents 69.15 per cent to MPS (mean value 3.46). 'Products placement/window display' occupied the third place with a score of 7640 representing 67.91 per cent to MPS (mean value 3.40). It can be inferred from the table that all the factors got mean values >3 each indicating positive rating by the respondents.

Table 12: Rating on the performance of small scale retail stores.

Particulars	Score	WM	% to MPS
Products information	7596	3.38	67.52
Customer classification and treatment	7070	3.14	62.84
Service recovery	6919	3.08	61.50
Handling consumer grievances	7064	3.14	62.79
Dealing with aggrieved customers	7161	3.18	63.65
Information reporting	7120	3.16	63.29
Techniques in receiving the customers into the shop	7608	3.38	67.63
Techniques of identifying the exact needs of customers	7457	3.31	66.28
Exhibition of the products to the customers	7779	3.46	69.15
Explaining the features of the products and the shop	8013	3.56	71.23
Techniques of persuading the customers to buy the products	7626	3.39	67.79
Products placement/window display	7640	3.40	67.91

WM=Weighed Mean, MPS=Maximum Possible Score

Source: primary data

The top three ratings on the performance of the small scale retail units under study were presented in Table 13. The performance of the retailers in 'explaining the features of the products and the shop' and 'product placement and window display' are rated in top three in four of the five categories (except food and

grocery). 'Exhibition of the products to the customers' is the factor rated among the three by textile and apparel and footwear retailing. The table further reveals that the three factors rated high in performance in food and grocery retailing units are different to those of the factors in the other four categories.

Table 13: Top three ratings of the performance of small scale retail units

Source: primary data

Factor Ratings	Food & Grocery	Textile & Apparel	Electrical & Electronics	Jewellery	Footwear
1	Products information	Explaining the features of the products and the shop	Explaining the features of the products and the shop	Products placement/window display	Products placement/window display
2	Service recovery	Exhibition of the products to the customers	Products placement/window display	Explaining the features of the products and the shop	Exhibition of the products to the customers
3	Techniques identifying the exact needs of customers	Products placement/window display	Techniques of persuading the customers to buy the products	Exhibition of the products to the customers	Explaining the feature of the products and the shop

Small Scale Vs. Big Retailers

The respondents compared the service performance of small scale retailers and big retailers on various parameters including convenience, product range, prices, product quality, product information, inventory, impulses, customer service, relationships, credit facility/payment terms, social status, responsiveness, exchange facility, display and shopping experience.

The overall ratings on services of the small scale retailers compared to the big retailers under the selected five categories were presented in Table 14. The table reveals that in all the

parameters, the selected small scale retail categories got a score of more than 50 per cent to MPS. The mean values of the variables varied between 2.55 and 3.51. Thus, respondents gave better rating in all the selected retail categories compared to the big retailers. The scores of the variables as percentage to MPS varied between 50.92 per cent and 70.20 per cent. Among the variables the factor 'convenience' is rated high (score 7898; mean value 3.51) followed by prices (score 7259; mean value 3.23), and customer service (score 7239; mean value 3.22).

Table 14: Rating on the services of small scale retailers compared to big retailers.

Particulars	Score	WM	% to MPS
Convenience	7898	3.51	70.20
Required product range	6637	2.95	59.00
Prices	7259	3.23	64.52
Product quality	7021	3.12	62.41
Product information	7123	3.17	63.32
Inventory	6291	2.80	55.92
Impulses	5759	2.55	50.92
Customer service	7239	3.22	64.35
Relationship	7076	3.14	62.90
Credit facility/payment terms	6465	2.87	57.47
Social status	6183	2.75	54.96
Responsiveness	6952	3.09	61.80
Exchange facility	6894	3.06	61.28
Display	6472	2.88	57.53
Shopping experience	5827	2.59	51.80

WM=Weighed Mean, MPS=Maximum Possible Score

Source: primary data

Conclusion

The findings of the study indicate the fact that small scale retailers are the key players in the Indian retail sector and continue to offer services to the satisfaction of customers. The boom in organized retailing did not affect the consumer opinion and perceptions against small scale retailers. The small scale retailer is the preferred choice of customers in all the product categories. The customers expressed

their satisfaction on these retailers' services. The findings of the study do not lead to the conclusion that the small scale retailers can ignore the competition from big retailers. On the other hand, it cautions the threat and makes them realize the opportunities to build loyal customer base by continuously improving their marketing offers and interactions. The small scale retailers will have bright future in

India provided they upgrade the quality of services continuously.

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INNOVATIVE RECRUITMENT OF HIGH POTENTIALS: THE POTENTIAL BENEFITS OF ORGANISING PROFESSIONAL STUDENT COMPETITIONS – RESULTS OF A CROSS-NATIONAL STUDY

Katalin Pádár

Abstract

In today's world of such turbulent times, flexibility and innovativeness are key factors to success. This statement holds not only true in regard to the satisfaction of customers'/consumers' needs, but also regarding the internal processes of organizations, for instance, recruitment.

Building on the findings of a thorough literature review of the related fields (i.e. (global) talent management, atypical employment, employer branding, etc.), this paper examines the potential benefits of (international) student competitions – that are of growing popularity nowadays. 'As war for talent shows no signs of letting up' (Fernández-Aráoz et al., 2011, p. 76), being able to attract and recruit high potentials are of vital importance. The study's basic hypothesis is that these competitions are mainly organized for recruitment purposes. Furthermore, it was also assumed that such competitions are beneficial for both the organizing companies and the participants.

Primary data, which derive from the interviews conducted with HR representatives of multinational companies operating in different European countries that organise (international) professional student competitions, proved the study's main hypothesis – providing empirical evidence of the importance of a potentially new recruitment tool. Results of a complimentary, questionnaire-based pilot research of the participants supported the assumption concerning mutual benefits.

Key words: *global talent management, high potentials, student competition, recruitment*

Introduction

Globalisation, fierce competition, (economic) recession: these expressions are being used more and more often nowadays – let that be an academic article or simply an informal conversation. It is possible to protest against it, although, in my opinion it is undeniable that globalisation has become a constant element of our everyday lives, strengthening the otherwise already tough enough competition even further; and the situation has just been topped

with the economic crisis of the recent years. Actors of the economy – companies as well as employees or rather the government – have no other choice but to get used to the changed (and changing) conditions if they plan to survive also in the long-run.

A possible way of doing so could be an approach that is more flexible than ever before, together with the application of alternative solutions (e.g. atypical forms of employment) in contrast to conventional practices.

Today's challenges, however, do not only affect companies, or in other words: employers. The situation of actors on the 'other side' of the labour market, namely employees, is also not

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simple and straightforward. According to my experience, this statement holds particularly true to entrants, those just entering the labour market, as higher education in itself does not guarantee an easy, fast and smooth job-hunt. In accordance with this, Mile et al. claim that the situation of entrants holding a degree is especially challenging as the rate of unemployment in their case is higher than among older, more experienced professionals also holding a degree. (Mile et al., 2007) The subtitle of the work of Burnsed work also tells a lot: 'Internships are a near necessity in the quest to find a job in today's market.' (2010, p. 52). Not to mention that young graduates have to face requirements which are harder and harder to meet. With a bit of exaggeration, one should be fluent in a couple of languages, have participated in (and won) student competitions, possibly with (a couple years of) experience on the given field by the beginning of their twenties. Most probably the possession of professional experiences is the criterion hardest to meet. (Mátyási et al., 2007)

Even though pointing to the fact that there are further actors/stakeholders (i.e. educational institutions, parents, even the state) to be taken into account, would be a justifiable remark to make, the present article focuses on the relations between employers (mostly companies, for-profit organizations) and potential employees-to-be (mostly university students) with special attention to challenges they have to face nowadays and to their reactions (already given or expectable) to these challenges.

After the discussion of labour market flexibility and the concept of atypical employment, the article focuses on matters that are considered to be interesting in the eyes of the examined stakeholders (i.e. employers and potential employees/entrants). These include (global) talent management, as a 'subset' of corporate succession planning, questions regarding

internships and professional student competitions.

The second main part of the article presents the circumstances, methodology and findings of the empirical research, the aim of which was to answer the following questions.

Are internships, in fact, beneficial for both parties?

Do (international) professional student competitions serve as (potentially) new means of talent recruitment?

Labour market flexibility and its importance

The economic recession has certainly strengthened the demand for finding efficient solutions and, in parallel to this, more flexible employment alternatives have also come to the forefront. However, it cannot be stated that the concept of flexibility on the labour market has only become a much discussed topic during the past couple of years. For instance, Michie and Sheehan (2005) had the opinion already 7 years ago, well before the crisis, that labour market flexibility has to be regarded as one of the 'key determinants of national competitiveness and successful corporate performance'. Furthermore, the link between globalisation and the spread of atypical employment (as a manifestation of flexibility in practice) has already caught researchers' attention around the millennium (e.g. Bratton, Gold, 2000).

Williams' (1993, p. 1) definition is often quoted, according to which labour market flexibility is a 'variety of functional techniques that organisations deploy to maximise the increased efficiency of the labour contribution to the strategic purpose of the organisation'. Cazes and Nesporova (2003) also highlight the complex nature of the concept, pointing to the fact that flexibility on the macro-level refers to the speed of adaptation to the effects of external shocks and/or changing labour market circumstances. Based on which, labour market flexibility means the extent to which

employment (and its features) is adjusted to changes in the economy.

Solow approaches the concept with the help of the Beveridge curve, from a somewhat different, economic point of view, saying that a 'perfectly flexible labour market would [...] be one that interposes no obstacles to the frictionless matching of an unfulfilled job and an unemployed worker with the appropriate skills', adding that 'labour-market rigidities (including skill mismatches now) are precisely what allows vacancies and unemployment to coexist' (Solow, 1997, p. 191).

Three basic types of labour-market flexibility are distinguished in the literature (e.g. Michie, Sheehan, 2005; Valverde et al., 2000), namely functional, numerical and wage or reward/financial flexibility; where numerical flexibility refers to the capability of a company to 'easily increase and decrease its total number of workers in the short term [...], which is achieved through the use of different types of contracts and variations in the distribution of working time' (Valverde et al., 2000; pp. 650-651).

Atkinson's (1984) so called 'Flexible Firm' model has to be mentioned as well regarding labour market flexibility. (e.g. Finna, 2008; Valverde, 2000) The model suggests the structure of firms being viewed as a series of concentric parts (core group; first and second peripheral groups; and outermost part), where 'the second peripheral group consists of employees with fixed-term, part-time contracts, coming from employment training programs (apprentices and work-experience contracts) or job sharing [...giving...] the company numerical and to a certain extent functional flexibility. (Valverde et al., 2000, pp. 651-652)

Guest (1999) has reviewed and analysed several models dealing with the relations of human resource (HR) management and corporate performance, and has come to the conclusion that sufficiently chosen HR management practices are the keys to successful HR

management, which can serve as a source of HR-based competitive advantage. Therefore, I believe, that studying the ways how companies approach corporate succession planning and talent management is worth the effort, as a well-chosen HR management practice will have a valuable contribution to the company's success. (However, it has to be kept in mind that the chosen corporate strategy determines the extent to which HR management practices can contribute to success. (Michie, Sheehan, 2005))

Finna and Forgács (2010) also discuss the importance of labour market flexibility as well as flexicurity, a concept hard to by-pass regarding the literature of labour market flexibility. The expression refers to the simultaneous execution of both flexibility and security (Belchamber, 2010) in terms of employment, as with the increase of flexibility (e.g. definite contracts instead of indefinite ones), insecurity also rises (i.e. whether or not the contact will be prolonged). According to Burrioni and Keune, "'Flexicurity" has become an influential concept in academic and political discourse, in particular since the European Commission placed it at the core of the European Employment Strategy.' (2011, p. 75). Regardless of this, they argue beside the abandonment or the substantial improvement of the concept. (Burrioni Keune, 2011).

Although the limitations of this article do not make any further discussion of the concept of flexicurity possible, it should be sensible and clear that it is an important chain-link between labour market flexibility and atypical employment.

Atypical employment

In today's world of unemployment and economic recession, companies' adaptability have a more and more important role in their survival and/or success. One possible way of making a company more flexible is through

numerical flexibility, which can be manifested via the application of atypical employment.

‘The post-war period, with unprecedented growth and development and ample full employment had created a climate that led to the establishment of a “standard” or “typical” employment relationship.’ (Bronstein, 2009, p. 1) The archetypes of employment contracts are considered to be ones according to which work has to be performed full-time, at the given workplace, for an indefinite amount of time. (Nacsa, 1997) While anything that differs from this is considered atypical employment. Many authors (e.g. Laky, 1997; Borbély, 2000; Hertel, 2004; Laky, 2006) name the last third of twentieth century as the time of appearance, development and spread of atypical employment. (The work of Szabó and Négyesi (2004) explains the changes and processes in details that have led to the various forms of atypical employment.) According to Bronstein (2009, p. 1), ‘part-time work, fixed-term employment, extended probation terms, on-call work and temporary work are examples of atypical forms of employment’.

As the work of Finna and Forgács (2010) also points to it, the definition of atypical employment is rather loose, which means an obstacle from several perspectives. Additionally, legal regulations regarding atypical employment might also vary from country to country which makes attempts of creating a precise definition even more challenging.

Corporate talent management, succession planning

I strongly believe that referring to corporate succession planning, as well as talent management, as a strategic issue is not an overstatement. The fact that some companies are not (yet) willing to view them so is a different question.

For the purposes of the current article, the first or even ‘the one but first’ step of succession planning, namely the attraction of young talents

and high potentials (including the related techniques, strategies), is of interest.

Since talent management is not the main focus of the this article, below I would only like to highlight some points that are important to know for the complete understanding of the conceptual framework behind the empirical research.

War for talent?

It is of no doubt (e. g. Farndale, Scullion, Sparrow, 2010) that McKinsey’s ‘War for Talent’ article (Chambers et al., 1998) has been determining in the way how corporate talent management evolved during the years ever since. Chambers et al. (1998) have pointed to the importance of handling talent management as one of the corporate priorities, as this is the way how one can win in the war for talent, because ‘superior talent will be tomorrow’s competitive advantage’ (p. 48). The article highlights that companies should be clear about the kind and amount of people they need; and these needs should be met through complete commitment for hiring the best people, with the help of using innovative channels of recruitment to find and attract them. In my opinion, professional student competitions, which are of growing popularity nowadays, exactly serve as such innovative channels of recruitment, even fulfilling the requirement of continuous recruitment if they are organised e.g. on a yearly basis.

The McKinsey’s research was repeated again in 2000, confirming the results and forecasts of the previous study. 89% of the participants found it harder to attract talented people to their companies than three years before. Financial analyses showed that the performance of those paying real attention to talent management is far better than that of the others, meaning that these companies were capable of the realisation of their competitive

advantage through their talents and high potentials. (Axelrod et al, 2001).

Regardless of the effect of these McKinsey studies, one has to keep it in mind that the world and the environment is changing fast, which also means that challenges that companies have to face are also changing. A new expression, 'demand for talent' has also emerged recently and some even argue that the war for talent is over.

Global talent management vs. MNCs

According to Farndale et al. (2010), multinational companies (MNCs) have to face a new challenge nowadays, namely the need for coordination of talent pipelines on a global basis, global talent management. They also argue that the 'war for talent' is not the best expression to use any more, especially when considering the unemployment rates of East- and South-Asia. Even though the pure mass of labour force on the market does not necessarily mean that employers do not have to struggle to find the individuals with the appropriate skills and capabilities, other authors (e.g. McDonnell et al., 2010; Schuler et al., 2010) also argue that the meaning of war for talent has changed since 1998. Although the war for talent is probably not the best expression to use any more, 'demand for talent' still has a significant role. (Lane, Pollner, 2008)

Globalisation, consequently, also has an effect on corporate talent management, pushing global talent management to the forefront; or in other words, thanks to internationalisation and globalisation, HR management is playing a more and more strategic role. (Novicevic, Harvey, 2001; Scullion, Starkey, 2000)

As global talent management has its own and growing literature, even regarding current issues (e.g. Mellahi, Collings, 2010; Hartmann et al., 2010; Tarique, Schuler, 2010; Iles et al., 2010), I would only like to highlight that a new requirement has emerged to which global

talent management has to reflect, namely that companies need more and more talents who 'remain' talents regardless of the geographical, cultural or language environment (Huselid et al., 2009).

Attraction of young talents

As it has been mentioned already, the current study examines talent management in relation to the (alternative) possibilities of recruitment and attraction of labour market entrants and young graduates. Building on the processed secondary sources of literature (e.g. Chambers et al., 1998; Tarique, Schuler, 2010; Schuler et al., 2010), I am on the opinion that the main elements of attracting young, talented individuals, the contribution of whom to the success of the company is great, are the following:

continuous recruitment – regarding which it is important that companies have to find the best people and they have to be matched to the positions suitable for them, not the other way around: trying to find people for the positions; the use of innovative techniques of recruitment;

the attraction of young high potentials who are also interested in working in an international environment;

the development of an attractive corporate identity – in which the practice of employer branding has a growing role. Accordingly, a McKinsey study raises the attention of companies to think of talents as the possible customers of the corporate brand (Hieronimus et al., 2005).

Amidst the challenges of head-count restrictions and layoffs, most probably, carrying out continuous recruitment faces the biggest obstacles. In my opinion, atypical ways of employment (e.g. internships) might serve as a solution. The example of Germany is also quite

instructive, as the level of employment even rose in the country in spite of the economic crisis, thanks to the more extensive use of atypical ways of employment. (Why has..., 2010)

Linkages

Numerical flexibility vs. talent management

Even though continuous recruitment might as well seem to be a requirement possible to be met, it is rather a luxury that most of the companies simply cannot afford. This is exactly why the concept of flexibility, and numerical flexibility within, is important. Following the logic of Atkinson's Flexible Firm model (described in details by Atkinson, 1984; Valverde et al., 2000; Finna, 2008; Finna, Forgács, 2010, etc.), continuous development can become possible even amidst the challenges companies have to face nowadays.

As if (some of) the employment of talented young graduates happen via atypical employment (e.g. part-time employment; internship), the company could employ more talents while also keeping its capability of reacting fast to changes in its environment. Members of the so called second peripheral group are still connected to the company and in case of a suitable vacancy, they can become members of the core group. A Scandinavian study also supports the atypical employment of labour market entrants via atypical forms of employment, since according to its findings, part-time jobs let entrants actually enter employment. (Try, 2004)

The potential in professional student competitions

Professional student competitions, organisers, participants and their main motives are in the focus of the second part of this article. The reason for this is that in my opinion, these competitions are ideal tools from numerous view-points for the attraction of talented young

individuals, high potentials. They definitely function as an innovative way of recruitment and the selection criteria, throughout the competitions themselves, can be tailored to the needs of the given organiser company. Competitions also having an international round/final can be useful even for companies facing global talent management challenges as the fluent use of a foreign language (in most of the cases English) is impossible to by-pass, and during an international final, which usually lasts for a couple of days, both of the parties (organisers and participants) have the chance to get to know each. Furthermore, the participants' capabilities of handling an international working environment can also be easily examined. Participants, in return, are given the chance to experience what working with others coming from different countries, cultural backgrounds really means.

According to my experience, organisers of such professional student competitions live with the opportunity of giving a presentation about the company, which is a perfect opportunity for employer branding as well as the whole competition itself.

The competitions often end with position offers (mostly internships) of the organisers. After accepting such an offer, talents are only a step away from becoming employed with a permanent contract, becoming part of the core group.

From the other view-point, that of the participants, such competitions might seem to be a lot more interesting and beneficial than job interviews or assessment centres. Furthermore, showing off with their strengths in a positive way are only up to them, and it does not necessarily depend on the 'questions' they receive (e.g. during an interview). Additionally, they can obtain such an experience via participating in a competition, which is not attainable anyhow else. (cp. Maddox, 1987)

A different approach: who does actually benefit from internships?

Unfortunately, it has become clear that the literature dealing with internships are not extremely extensive, which is actually an interesting fact, knowing that higher education in itself does not assure smooth employment and that the situation of labour market entrants is especially challenging. (Mile, Hinek, Torgyik, 2007) 'Internships are our primary recruiting source for full-time positions.' cites Burnsed (2010, p. 52) Holly Paul, a national recruiting leader at PricewaterhouseCoopers. Therefore it should not be surprising that more and more students are looking for internship positions worldwide to keep and improve their 'marketability'. (Pianko, 1996) The lack of articles dealing with this topic surprised me, because Pianko (1996) also point to the mutually (for both employers and students) beneficial nature of internships.

Based on the work of Mátyási et al. (2007, p. 24), internship is a structured activity aimed at practice, in the frame of which students have the opportunity to apply the professional knowledge they gained at the educational institution in a real or protected working environment, and through the learning process interns experience the peculiarities of the given professional field.

The functions of internships are the followings (Mátyási et al, 2007, pp. 25-26).

- 'Gaining professional experience – for the student;
- Obtaining key competencies – for the student;
- Networking – for the student; and also for the educational institution and the company;
- Feedback from the company where the internship takes place – for the student;
- Extra labour force – for the company;
- First step of recruitment and training of future co-workers – for the company;

Feedback regarding the contents and the quality of the educational program – for the educational institution;

Possibility of deepening contacts, obtaining academic, research assignments – for the educational institutions.'

These eight points perfectly summarize the benefits that an internship can provide to actively participating parties. In spite of this, I would suggest to add an additional point:

Possibility of testing the potential future co-operation of the parties – for the student and the company. (With Pianko's words: 'internships give both the company and the student a trial run'. (1996, p. 32))

According to the previously summarized secondary information, professional student competitions, which are of growing popularity nowadays, seem to be beneficial for both parties, as well as offering and accepting internship positions seemingly provide benefits for both parties. The second part of the article empirically examines this idea, or else, tries to answer the question whether really all parties gain with such competitions.

Primary research

In order to test the real-life relevance of the previously summarized findings from secondary sources, and also to answer the main questions of this study, namely 'Are internships, in fact, beneficial for both parties?' as well as 'Do (international) student competitions serve as (potentially) new means of talent recruitment?', primary data have been collected.

Hereby I would like to point to the fact that I had found it important to get to know the opinion of both parties (employers and (potential) employees), as it would have been impossible to draw well-supported conclusions from information originating exclusively from only one of the sides. This approach resulted in

two separate but also comparable empirical research threads: one examining the employers, one the potential employees.

The methodology

The original idea was to study only Hungarian employers (ones that organise professional student competitions), for which the qualitative method of personal interviews would have been perfectly adequate (Babbie, 2010; Scipione, 1994). As the research evolved, however, the possibility of getting to know the opinions of employers from countries other than Hungary emerged, and therefore the research method had to be altered. Building on the advantages of quantitative methods (e.g. Scipione 1992; Szabó, 2001), I used an online questionnaire, in which as many questions were open-ended as possible, to let participants express their opinions as freely as possible – while also keeping the requirement of comparability in mind. Since the circle of the potential participants was well-defined and not too numerous, the chosen survey method made it possible to integrate the benefits from qualitative and quantitative methods and to bypass the potentials disadvantages (low response rate, no unique opinions; incomparable answers, etc. (Hoffmann et al., 2000; Scipione; 1992)).

The other target group of the empirical research was university students or in other words: potential employees. In their case, the only feasible option seemed to be the use of an online questionnaire as this thread of the primary data collection aimed to reach students of various nationalities, to whom there was no direct contact.

Results and findings

Employers which organise professional student competitions

The final version of the online questionnaires contained 7 open-ended and 7 close-ended

questions, beside the ones serving solely statistical purposes. The followings summarise the findings based on the answers of the representatives (HR coordinator, Recruiting & Employer Branding manager; HR account manager; HR manager) of multinational companies from 4 different countries: Hungary, Austria, Belgium and the Slovak Republic respectively, ones that organise international professional student competitions. All of the interviewees were actual organisers (each with 3-4 years of experience), therefore they were capable of giving relevant answers to all the questions.

The questionnaire consisted of two main parts, the first asking about professional student competitions, while the second focusing on matters regarding potential intern-to-bes and internships.

The main aim of these competitions seems to be the 'The hunt-up and attraction of potential talents (high potentials).' as all the participants marked this as a response to the 'What is the aim of these competitions (from the company's perspective)?' question. Corporate image development, the expression of social responsibility and employer branding are also admitted purposes of such competitions as three out of four respondents also marked each of the following statements: 'Corporate image development.'; 'Social responsibility can be expressed through them as well.'; 'They serve as a field for corporate branding.'. Two participants believe that 'Innovative ideas and new inspiration derive from these competitions.'; and no further aims were named.

Responses to the open-ended question related to the plans regarding successful participants of these competitions contained the following statements:

'to hire them either as interns or full time employees'

'The successful participants have the opportunity to network with senior manager to get an insight into daily business and aspects that are important besides the hard facts they learn in university – what are the issues which are worked on in daily business. Besides that we try to offer internships to those participants who left a good impression during the game.'

'To stay in touch with them and if the possibility is there to offer them an internship or a permanent position once these students have finished their studies.'

'In case we have suitable job offerings we intend to hire them. Otherwise they are also available to our branches in other countries, including headquarter.'

In the light of these responses, the question asking about intentions of hiring successful participant seems to be somewhat needless as obviously all of the recipients confirmed they plan to do so. Therefore it is clear that the main reason of these competitions is to recruit talented young individuals, high potentials.

Internship appeared to be the most popular form of employment (3 respondents); while infinite and definite contracts are also viable options (2-2 respondents), beside 'Employment with 'Contract of Services'.' (1 respondent). No further ways of employment were named.

The next open-ended questions asked about the direct and indirect benefits related to organising such competitions. Participants named the following direct advantages:

'meeting young graduates and high potential students, strong presence at universities'

'potential interns and young professionals; get to know students which are motivated and interested in [the company's] Employer branding activities with an added value for the students (more than posters and career fairs)'

'Meet interesting business students (internships); Get to know how business students see the future.'

Indirect advantages were also described:

'good contacts with universities, employer branding'

'to get to know young and enthusiastic students who are interested in [the company]; if the students have a positive impression during the game they tell their friends about their positive impression and this is very important in such times'

'Position the company as an attractive employer towards students. Stay in touch and maybe hire high-potential students once they have finished their studies.'

'image improvement; employer branding; attracting students; new interesting experience for managers'

The next section of questions was asking about interns and internship.

Three of the companies employ interns, while the fourth representative explained that they do not employ interns as they 'directly employ many students on normal contracts'. (Consequently, the further questions were only put to the other three participants.)

The reason for employing interns is the fact that 'This is also a way/tool of corporate talent management.' as all of the respondents marked this and only this option, even though there were also other possibilities ('In order to ensure the sufficient amount of labour.'; 'Interns are a cost-efficient source of labour.'; 'Other, i.e.:').

The advantages of employing interns are as follows.

'our interns are the first source for hiring, we train them and if possible hire them afterwards' 'to have future hiring potential; to get to know students and to learn about their working style; to have support in the daily business'

'Its a way to get in touch with talented students and to see them in 'action' for a couple of months.'

While disadvantages are the following:

'none (we are flexible on working hours and we only hire interns for long term)'

'for those interns who are interested in [the company] and when we cannot offer an entry position afterwards; they are disappointed afterwards; the effort to hire interns is as high as for positions for young graduates'

'The introduction period sometimes takes quite long and after 6 months most of the interns left already.'

From the quotations above it is visible that, within the possibilities; interns serve as the number one source for the future employee pool. Disadvantages appear to be somewhat country specific.

The questionnaire also asked about the costs of employing interns and whether this 'investment' pays off. The received answers were the following:

'Yes, this is definitely a good investment, by the time they finish their studies and their internship at [the company] we already know them (and they know the company as well), we have an overview about their performance and potential --> higher possibility for retention after hiring, loyalty, choosing the best person for the given job.'

'costs of advertising is zero; the payment is depending on the collective agreement (valid for all companies in our industry); most costs are due to personal effort of the recruiter; investment pays off most of the time because the students do a great job'

'The cost differs, but is not of a lot of interest, it's about having talented interns that might stay on a permanent contract after their studies. So yes the investment def. pays off.'

From these opinions it is clear that it is well-worth for the companies to employ interns as

the benefits of doing so easily outweigh the cost and disadvantages, if any.

'Active command of at least one foreign language'; 'Interpersonal competencies'; and 'Good learning skills' are expected from an intern-to-be, according to all of the three interviewees. 'Adaptability/flexibility' is also important, while 'Experience on the given field' is not required.

The Belgian and the Hungarian respondents are rather looking for 'still 'shapable material', while, in Austria they are rather looking for 'already ready applicants' '.

Based on the answers, the economic recession has not induced major changes in the company's approach and/or planned actions in this field (i.e. the employment of interns).

Participants of professional student competitions

The second (parallel) thread of the empirical data collection was related to those students (potential employee-to-bes) who had already participated in professional student competitions.

Since the link of the questionnaire was forwarded online, it was impossible to reach exclusively only students who had already taken part in such competitions. Therefore the relevant respondents had to be filtered out, which happened with the help of the very first question, asking whether the participant have ever taken part in professional student competitions.

Those who never had such experience obviously would not have been able to provide relevant information on the topic, but they were asked about the reasons why they never participated in such competitions. Findings of this part are discussed later on.

63 answers arrived by the end of the data collection, 78 percent of which happened to be irrelevant. It means that only 14 answers could be analysed, which counts as one of the major

limitations of this study. Due to the low number of responses, one should avoid making conclusions that are based on these results. Hence the following are considered as pilot results.

Most of the experienced participants took part in business-related, at times case study competitions (e.g. BCG Strategy Cup; MOL Freshhh; Diák Menedzsment Bajnokság; Big One; Henkel Innovation Challenge); two respondents named (international) law competitions (e.g. Willem C. Vis International Commercial Arbitration Moot). The listed competitions were organised and took place in several countries (Austria, China (Hong Kong), Germany, Hungary, The Netherlands and Russian Federation) from 2009 to 2011.

One of the most important questions asked the respondents about how much had the listed factors contributed to their decision of taking part in such competitions. Each factor had to be weighted by deciding whether it had absolutely no contribution (0 point); had a little part in the decision (1 point); or was one of the main reasons (2 points). The summarized, weighted results show that the most important factor is (obtainable) professional experience. The first runner-up is 'the challenge itself', slightly scoring more than 'the hope of getting an offer (internship/position) from the company' and the 'additional item to put into my CV' options. The other four factors appeared to be a lot less important. This result is in sync with that of the following question, which asked the participants to name the most determining factor from the previously listed eight. 'Professional experience' was the most determining factor for the majority of the respondents, followed by 'the challenge itself'; 'the hope of getting an offer (internship/position) from the company' and the 'additional item to put into my CV' options. In nine out of thirteen cases, the participant's opinion about the company has changed in a positive way due to the competition – there

was no change in four cases. Furthermore, nine of the students stated that the competition made them want to work for the given company as it was a positive experience.

Also nine of the respondents would probably (further two would surely) take a position at the company, even if the way of employment was atypical (i.e. with a definite term contract, with a contract for services or part-time work).

Beside that experience, networking and gained knowledge were named by most of the participants as the potential benefits and strengths of such competitions, while the following opinions summarize many others as well.

'international (professional) relations; to get acquainted deeper with the teamwork; to compose high level argumentations; significant improvement in presentations and convincing other people; research; unforgettable experiences; English language skills; confidence'
'Challenging and interesting tasks, good result can be a good point in the CV or at the company, experiencing teamwork'

'A lot of experience in presentation techniques, working together with partners, how to treat competitors, how to behave under stress, how to react for a sudden and unexpected question.'
'I've got a general idea of the company's priorities, and understood the working system of a multinational company. I've learned a lot about the diversity of the activities the company is dealing with, the great portfolio of its brands and the technique of launching a product with all the necessary marketing and financial elements.'

'broader thinking; understanding of business; positive for CV; new ideas'

'experience on (intercultural) teamwork, one can improve their presentation skills, networking, professional experience'

In light of their experience, everyone would take part (either definitely (9) or probably (5)) in such a competition again.

An interesting question asked about the participants' advice to organiser companies, asking them to list the things they would change if they were in the shoes of the companies. Many of the suggestions called for more attention to participants other than the winners; feedback regardless of the results and at any level of the competition would be highly appreciated. Furthermore, some has suggested more intense marketing/advertising activity for the competition/event itself, although others were completely satisfied and would not change a thing.

Theory versus practice: The relation of secondary and primary results

Regarding the aim of organising professional student competitions, theory is in accordance with practice. It can be stated that the main reason for organising such competitions is the hunt-up and attraction of talented young individuals, high potentials. This means it was a valid conception to study these competitions as a way or means to the atypical employment (e.g. internship) of young high potentials.

Getting an internship can, in fact, be considered as a way of entering the labour market and also employment, as according to the primary research, employers are willing to hire successful participants of these competitions either as inters or with a(n) (in)definite contract.

In terms of direct and indirect advantages, I have also found the information derivable from the literature to be in line with practice. Furthermore, it is surprising how much resemblance the possible functions of internships (Mátyási et al, 2007) and their real-life benefits show.

Due to the relatively low number of respondents, I would warn everyone not to generalize the results, though the pattern of

taking these competitions as a tool of talent management is clearly recognisable from the responses of the organisers. The fact that talent management and succession planning is actually of high importance for these companies is also derivable from the previously delineated information.

It is also interesting that the concept of continuous recruitment (cp. Chambers et al, 1998) has also appeared, indirectly, regarding the costs and benefits of employing interns.

The main motivation for students to participate in these competitions is the obtainable professional experience, while organisers also believe these competitions are a potential field for employer branding. It is worth to point to the fact that getting to know more about the company is not among the main motives for participants. Though, it is undeniable that by the end of the event, as a side-effect, students will know more about the company than before. As most of the participants end up being 'positively disappointed' by the end, professional student competitions provide a sufficient field for employer branding and corporate image development.

Since employers are not only willing to but also do actually hire participants as interns, practice shows that professional student competitions can lead to the atypical employment of talented young individuals. According to Maddox (1987), competitions provide such practical experience which is not obtainable by any other way. This is completely in line with the opinion of students, who named the possibility of attaining professional experience as their main motive for participation.

At this point, I would like to point to the fact that no major differences are noticeable in the approaches and practices of organisations operating in different countries.

Limitations

Even though examining the opinions of all the actors was admittedly not an aim of the

presented research, I still believe that getting to know the roles and possible motives of educational institutions and parents would mean a valuable contribution to the already collected information. Identifying the roles of parents would be especially useful since beside competitions for college and/or university students, ones targeting students in secondary education are also of growing popularity. Organisers of these competitions in Hungary are no smaller names than the Central Bank of the country (Magyar Nemzeti Bank) or MOL Hungarian Oil and Gas Company, the former organising 'Monetary', the latter MOL Junior Fresh.

As it was already mentioned, the greatest limitation is the low number of participants, especially regarding the questionnaire asking participating students opinions. I believe that this is less of an issue in terms of the organisers as the questions of the originally planned interviews had been transformed into the online questionnaire, which even facilitated the analysis, still providing a sufficient amount of valuable information.

The research was not representative to any extent; therefore it provides no ground for generalisations. While, on the other hand, the collected data proved the online questionnaires to be sufficient tools for the purposes of the research. The current research can be regarded as a pilot study, one which is definitely worth to be extended to a bigger sample.

Conclusions, recommendations

Based on the information presented above, one can state that organising as well as taking part in professional student competitions provide mainly benefits for both sides. (Costs and/or possible disadvantages are negligible, if any, or fixed due to regulations.)

Participating in such competitions may lead to atypical employment (e.g. internship) of the successful participants.

Companies might consider paying a bit more attention to the organisation of such events, especially in terms of the marketing/advertising activity to reach as many talented, young individuals as possible. This idea has also been justified by the empirical research in a way, as 22 percent of those students who never participated in professional student competitions said they had had no idea that such competitions existed and a further 7 percent could not take part due to the lack of teammates. In today's world, the creation of (even virtual) forums could mean a solution for the latter problem.

I strongly believe that providing some kind of feedback for all those with an evaluable performance would be an investment that is certainly worth consideration, although I also know that the resources of the organising companies are very limited.

Taking into account that labour market entrants and young graduates are in a tough situation when trying to get employed, educational institutions as well as teachers should play a more (pro)active role in convincing and encouraging students to take part in competitions, as with such an experience their chances of getting employed appear to be higher.

A further function of these competitions, namely selection, comes to light at this point, as the most motivated, determined and hopefully talented students will take part in these competitions regardless of the possible obstacles they might have to face.

The fact that competitions bring mutual benefits for organisers and participants is of no question, although, in my opinion, the positive effects would be extendable with some extra efforts that are worth to consider.

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HOLLYWOOD AND FASHION: INFLUENCE ON APPAREL PURCHASE DECISIONS

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Abstract

The study investigated the influence of fashion involvement, movies, and television programs on Generation Y consumers' apparel and apparel-related product purchase behaviors. An online survey was administered to a convenience sample of 397 students. Structural equation modeling was employed to test the hypotheses and explore causal relationships. Findings indicate participants were not only interested in movies and television programs, but also indicated they paid attention to the costume selection for the characters – to the extent that they allowed character costumes to influence their own clothing purchase behavior. Additionally, actual purchase behavior of fashion products also influenced consumer's new fashion purchase behavior.

Keywords: *Hollywood, Fashion Involvement, Fashion Media Influence, Clothing Purchase, Gen Y*

Introduction

For most of the past century, one of the most powerful and influential sources of entertainment worldwide is Hollywood. Movies and television shows are readily available to audiences through different channels such as movie theatres, CD/DVDs/Blue-Ray discs, Internet, satellite dish networks, and cable channels. The increase in media choices (i.e., television, movies, the Internet, and magazines), has increased product diversity and lifestyle choices requiring marketers and retailers to incorporate new and effective approaches and strategies to reach target consumers (Bakewell & Mitchell, 2003).

In almost every part of the world, Hollywood movies are released each year and thus viewed by a variety of audiences. Similarly, television viewing is the dominant leisure activity for many people (Harris, 1989). There are several historic examples of the powerful impact of movies on fashion: *Annie Hall* and *Saturday Night Fever* in 1977, *Flashdance* in 1983, and *Sex in the City* (the movie) in 2008. In these and several other examples, the dress of movie characters became fashion – and indeed defined the decade (Leopold & Zerba, 2009; la Ferla, 2010). Today the influence may be more subtle – perhaps a mood or a color story – as we have seen in 2010 after the release of *Avatar* (la Ferla, 2010).

Television programs have also had similar influences – *Miami Vice* in the 1980s and *Sex and the City* in the 2000s both had an impact on consumer-driven fashion trends. *Sex and the City* is credited with making Manolo Blahnik shoes popular, while *Gossip Girl* brought us crested blazers and headbands. More recently, programs like *Mad Men* and *Real Housewives*

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are influencing fashion by creating looks that are classic and trendy (Flam, 2009; Leopold & Zerba, 2009; la Ferla, 2010).

“The proliferation of entertainment media worldwide has increased the exposure of celebrities to mass audiences and given them a powerful status” (Fraser & Brown, 2002, p. 183-184). Celebrities are important cultural agents presenting a certain set of messages or ideas; they influence audiences. Females, particularly, reach out to movies, television shows, and magazines for information about cosmetics and clothes (Steele & Brown, 1995). However, the influence of entertainment and fashion does not just appeal to the younger market, as television shows that target a mature audience have the same impact on their viewers. Olijnyk, (2007) reported the influence of the hit ABC drama, *Brothers and Sisters*, on one viewer who stated, “I saw the bag on the TV show and loved it” (p. 94). Olijnyk believed this to be just one example of consumer purchase made because of the strong fashion influence of entertainment media in our culture. Style conscious fans tend to hone in on new looks while viewing their favorite shows. Kozar (2010) found a positive relationship between the viewer’s intent to purchase particular clothing styles when the model was photographed wearing the style, however there has been no empirical study which has examined how Hollywood depicted in both movies and televisions has influenced fashion. People born between 1978 and 1994 are referred to in the consumer behavior literature as Generation Y or the Millennium Generation, and they account for approximately 20% of the U.S. population (Durvasula & Lysonski, 2008). They have grown up with the Internet and are very comfortable seeking information constantly (Krayewski, 2009). They have greater exposure to all kinds of media than have young people in previous generations, resulting in stronger access to ideas, trends, and opinions of relevant others. They also consume

a great amount of fashion (Durvasula & Lysonski, 2008) and are known to have high fashion involvement (Belleau et al., 2007). Consequently, it can be assumed that Generation Y is likely to have developed a different shopping style compared with previous generations. Given the size of this growing segment it is imperative to focus on Generation Y consumers and offer guidelines to marketers on how these consumers make their choices.

Earlier studies have examined purchase intention based on media influences (Chowdhary, 1989; Cohen, 2001). Additionally, studies have examined celebrities as sources of influence (Lines 2001; Moeran 2003) as well as the celebrity endorsement which has indicated that endorsed product will have more purchases and so be of higher value (Clark & Horstman, 2003). Hence, it can be stated that while research has examined celebrity endorsement and celebrity influence on purchase intention, actual purchase behavior influenced by media has never been studied, and needs to be explored in more depth. This study aims to fill the gap in literature by examining influence of Hollywood (i.e. fashion shown in the movies) on actual purchase behavior. Therefore the purpose of this study was to investigate the influence of fashion involvement, movies, and television programs on reported Gen Y consumer apparel and apparel-related product purchase behaviors. Style conscious fans identify new looks while viewing their favorite shows. Given the growth of Hollywood’s influence on the fashion industry and consumers, it is important for retailers to gain a better understanding of how to capitalize on the “media influences” more holistically.

Literature Review

The conceptual framework of this study presented here draws on the theory of media effects proposed by Cohen (2001) as well as McCracken’s (1989) theory of meaning transfer.

These two theories are used to predict influence of fashion media on consumers' purchase behavior.

According to theories of media effects, identification with the celebrity or a character increases due to media exposure and its impact (Cohen, 2001). Cohen asserts that members of the audience often identify themselves with the characters portrayed while reading a novel or watching a movie or a television program. Viewers who imitate and model their lives after a character in television shows or movies commonly do so in their personal aesthetic via clothing and appearance (Romeo, 2009). Wilson's (1998) study found that 24% of viewers' clothing choices were influenced by television and that consumers imitated television characters' appearance through clothing choice, hairstyle and color.

McCracken (1989) proposed that it is the celebrity's cultural meaning and the transfer of that meaning that drives endorsement outcomes. Celebrities are publicly well-known people in the realm of popular culture (sports, entertainment, and fashion; see Giles, 2000). The meaning transfer model posits that celebrities develop a persona through the types of roles they play in society as well as how they are portrayed in the media (Amos, Holmes, & Strutton, 2008). It is believed that when celebrities endorse a product, the meaning developed around a particular celebrity ideally should transfer to a company, brand or product and hence when a consumer identifies with a celebrity he/she purchases the product in the hope of claiming some of these transferred meanings for their own lives (Erdogan & Baker 2000; McCracken 1989).

Generation Y and Media Consumption

According to Bush, Martin & Bush (2004), Generation Y also termed as "Millennials" have been identified as a market that is high in demand because of their (a) spending power, (b) ability to be trendsetters, (c) receptivity to new products, and (d) tremendous potential for

becoming lifetime consumers. Additionally, these consumers utilize a range of new media for information and insight when making brand decisions (Millennial Shoppers, 2012). In case of movies and television viewing, Pew Research has indicated that that nearly a third of users ages 18-29 watch or download movies and TV shows (Madden, 2007). Generation Y is redefining media consumption is taking their personal connection—with each other and content—to new levels, new devices and new experiences like no other age group (State of The Media, 2011). Thus, it can be stated that the effects of heightened consumption of media and increased use of technology have made consumerism and brand awareness a central aspect of their lives (Syrett & Lammiman, 2004) and hence an attractive segment for the fashion industry.

Influence of Media on Clothing Purchase

Fashion media can be defined as any media including magazines, television, and movies with fashion content, fashion websites and social media outlets. In general, it can be stated that fashion media coverage is greater than any other area of human interest such as art, education, architecture, theater, literature, the environment, or technology (Polan, 2006). Actors and actresses act as trend setters by the clothing they wear on the red carpet or even by what they wear in their day-to-day life and are able to exert some influence on consumers particularly through the vast arrays of fashion media including television, movies, Internet, magazines, and print advertisements (Winge, 2008).

Historically, credit for new fashion was given to the fashion designer, but in more recent years celebrities dressed in designer clothing have become a medium to reach audiences because of their large fan following. Accordingly, televised award functions have become major events to showcase designer creations (Dunn, 2008). This trend in marketing is strong evidence of the effect of Hollywood on the

fashion industry. Therefore, to increase their consumer base, clothing designers and manufacturers introduce styles that are shown in the movies or are worn by celebrities. Thus, it is evident that movies/media have a significant influence on audience' clothing choices (Chowdhary, 1989).

Advertising is the major method of promoting brand image for apparel (Thompson, 2000). New forms of media such as the Internet, television shopping networks, and magalogs (which combine magazine and catalog formats), have emerged to promote brands (Oh & Jasper, 2006). Advertisements can create meanings in fashion items that are decoded by the consumers with surprising consistency depending on the differing levels of fashion involvement. Through such advertising techniques as brand placement and brand integration, featured items or styles take precedence. According to Lehu and Bressoud (2007), the technique of product placement in movies is used frequently by advertisers. For example, in the movie *What Women Want*, Nike as a sports brand was very effectively promoted. In addition to movies, product placement is also used frequently in television programs, theater plays, songs, video games, and novels (Kretchmer, 2004).

Fashion Involvement

Involvement as a measure of explaining consumer behavior has become a well-developed research tool (O'Cass, 2000). In a nutshell, "involvement is the extent to which consumers are concerned with a particular purchase decision and consider it to be important to them" (Kaiser, 1997); involvement for different products may be affected by different factors (Michaelidou & Dibb, 2006). Goldsmith *et al.* (1999) determined that consumers who are highly involved in fashion are the driving force of the fashion adoption process. High fashion involvement suggests a self-indulgent and pleasure-seeking aspect,

implying that the individual's involvement is driven partly by a desire to spend time on an enjoyable activity (Michaelidou & Dibb, 2006). Studies have shown that fashion involvement is related to positive emotion during shopping, hedonic tendency (sense of curiosity or exploration), impulse buying, and not only for purchasing apparel but for buying the newest styles (Park *et al.*, 2006; Seo *et al.*, 2001) as well as buying clothing frequently (Goldsmith, 2002). The consistently positive relationship between level of fashion involvement and apparel purchase (Park, *et al.*, 2006) makes this psychographic characteristic particularly useful in the context of entertainment media influence on clothing buying behavior. By definition, a higher level of fashion involvement should lead the consumer to be more attuned to the costuming of characters and the resultant possibility/probability of developing fashion trend. Thus, fashion involvement provides an interesting perspective on clothing purchase choice since clothing provides a means of expressing social identity (Noesjirwan & Crawford, 1982; Michaelidou & Dibb, 2006), and the level of fashion involvement can influence a consumer's choice and eventual purchase intentions (Belleau *et al.*, 2007). Lee *et al.* (2003) found that fashion involvement was related to subjective (rather than objective) knowledge, which influenced experiential information processing. The authors concluded that female adult consumers who follow the latest fashion trends tend to process information experientially. Observing a character in a movie or television plot moving and being in a particular clothing style is a virtual experiential manifestation of fashion or trend observation. Furthermore, Belleau *et al.* (2007) indicated that media usage, fashion involvement, and personality traits of young consumers were found to influence purchase intentions with 80% of the respondents noticing clothing on television shows.

Fashion involvement has been studied in relation to a number of specific categories of clothing including dress for in-line skating (Dickson & Pollack, 2000), bicycling (Casselmann-Dickson & Damhorst, 1993) and tennis (Chae, *et al.*, 2006). Fashion items, such as hair or clothing styles, can be considered central to the television show as they contribute to building the characters' image and the atmosphere of the show (Russell & Puto, 1999).

Purchase Behavior

People look at celebrities today for similarities in lifestyles and they want to imitate them. There is an assumption made by the consumer that what is good for the celebrity is good for them (Cohen, 2006). Hence, it can be assumed that consumer's purchase behaviors would be influenced by what they see on television and movies. Additionally, fashion involvement is a relevant indicator that has been used to predict purchase behavior and consumer characteristics (Brown & Kaldenberg, 1997; O'Cass, 2001). Thus, in this study purchase behavior was measured for two variables: Fashion in Media and New Fashion.

Fashion in Media. Fashion in Media has been defined for the present study as the consumers' purchase behavior related to clothing and/or accessories they have bought which were inspired by movies and television programming. As early as the 1930s, Blumer (1933) reported that movies influenced college students with regard to specific activities such as modes of dress, hairstyles, and forms of communication. Similarly, Belleau *et al.*'s (2007) study indicated the influence of media on purchase behaviors of fashion clothing. Thus, it can be inferred that consumers who are watching movies and television will likely be inspired to buy and/or consume products as seen on these media. By adopting the styles of their favorite characters, viewers bring these meanings into social circulation and it helps them construct their identity (Fiske, 1987). It can be assumed that

portrayal of fashion in the media will influence consumers' interest in "new" fashion in media.

New Fashion. New Fashion can be defined for the present study as consumers' conscious behavior in finding out about new fashion being portrayed in the movies. The cults of celebrity and fashion are interwoven with designers successfully using both television and movies to create buzz around their fashion products (Tungate, 2005; Carroll, 2009). Consumers look for "new" looks created in the movies such as the *Alice in Wonderland* inspired line that was launched in Kohl's (Alwill, 2010). With the advent of new technology, consumers are able to watch movies and television shows whenever and however they want, increasing their exposure to both of these media. Consumers who are already consuming movies and television programming could be also looking for new fashion ideas.

Studies have examined the direct influence of movies and/or television on purchase intention but not actual purchase behavior. Additionally, studies have also examined the influence of fashion involvement on purchase intention. However, this study examines the moderating role of fashion involvement with respect to both movies and television and the eventual purchase behavior. The influence of movies and television are combined to better reflect the changing consumer lifestyle of consuming multiple media formats simultaneously; hence, the following hypotheses are put forth. The resulting research model is presented in Figure 1.

H_{1a}: Media Influence will positively impact Fashion Involvement.

H_{1b}: Media Influence will positively impact New Fashion Purchase Behavior.

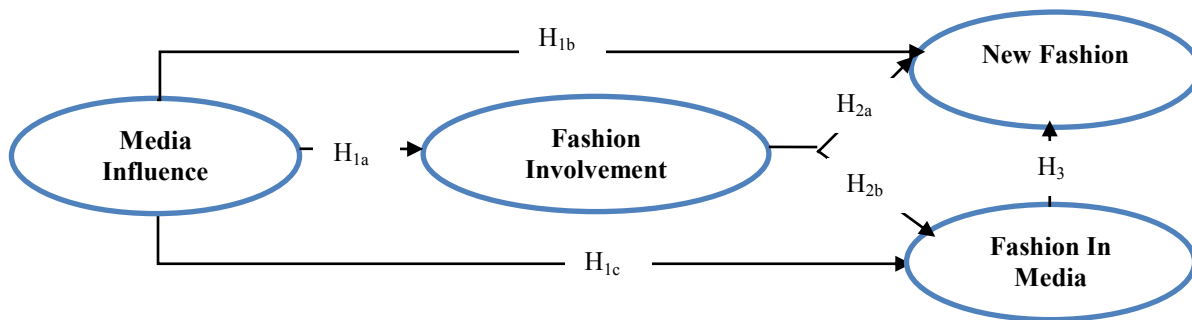
H_{1c}: Media Influence will positively impact Fashion In Media Purchase Behavior.

H_{2a}: Fashion Involvement will positively impact New Fashion Purchase Behavior.

H_{2b}: Fashion Involvement will positively impact Fashion In Media Purchase Behavior.

H₃: Fashion In Media will positively impact New Fashion Purchase Behavior.

Figure 1: The Proposed Model



Methods

The participants for this study consisted of a convenience sample comprised primarily of Generation Y students at a major South Western university in the United States. College students were selected for this study because this group has a high proportion of fashion leaders (see Behling, 1992) and the fashion involvement scale itself was developed using student respondents (O’Cass, 2000). Participants in the study were recruited by utilizing the snowball sampling technique (Goodman, 1961), which is a chain referral method of data collection. The questionnaire was made available in two courses for extra credit. Students were asked complete the questionnaire and then forward the request for participation to friends leading to a partly respondent-driven snowball sampling approach (Salganik & Heckathorn 2004).

Data was collected using the online survey software, Qualtrics. Data was analyzed using SPSS and LISREL, and construct validity was assessed using exploratory factor analysis (Cronbach & Meehl, 1955). Internal reliability was assessed using Cronbach’s standardized alpha (Cronbach, 1951). Confirmatory factor analysis was used to evaluate measurement properties, including reliability and validity of the measures. To test hypotheses and explore the causal relationships, a structural equation model (SEM) was used consisting of both the

measurement and structural model. This study was reviewed and approved by the Institutional Review Board at the researchers’ university.

Instrument. As the current research is an exploratory study to gain a better understanding of the combined influence of movies and television on fashion involvement and purchase behavior of media-influenced fashion products, there were no pre-existing scales for these variables available. Therefore, the media influence scale was developed based on a review of relevant literature in a three-step process as proposed by Hayes (1994). First, the researchers defined the construct that was being measured by independently reviewing related literature. Secondly, items were generated to measure the construct based on the literature review and a comprehensive list of questions was then developed and edited for redundancy by the research team. The final step required the pre-testing of the instrument which was administered to students using the convenience sampling method (N = 111). The scale had six items to which participants indicated their agreement on a 5-point Likert-scale where 1= “Strongly Disagree” and 5= “Strongly Agree” and included statements such as “I am considered an TV ‘buff’ or ‘aficionado’ among my family and friends,” “I actively seek information and gossip about new TV programs before their release” and “My friends and family ask me to recommend TV programs.”

Similar statements were included for movie viewing. Fashion involvement was measured using the product involvement scale developed by O’Cass (2000). The original scale included four factors (1) product involvement (2) purchase decision involvement (3) consumption involvement and (4) advertising involvement. For the purpose of this study five statements from factor 1, two statements from factor 2, and two statements from factor 3 were utilized. The selection of which statements to be included was based on analysis of the pre-test. Participants indicated their agreement on a 5-point Likert-scale where 1= “Strongly Disagree” and 5= “Strongly Agree” on the resultant nine question scale. Sample statements included: “Fashion means a lot to me” and “I have a strong commitment to fashion.” Reported purchase behaviors were measured with eight statements measured with a Likert-scale where 1= “Strongly Disagree” and 5= “Strongly Agree.” The scale included statements such as, “I purchase clothing that I

have seen in movies/TV programs” and “I look for new fashions when I see trailers about new movies.”

Results

Sample Demographics. A total of 454 questionnaires were completed of which 397 respondents were female. Only female participants were included in the analysis because the questions that were asked to gauge actual purchase behavior included specific reference to merchandise bought (e.g., handbags, jewelry, shoes, cosmetics, and clothing). It could be inferred that male students would answer differently to these questions vis-à-vis the female students and hence could influence the outcome. Approximately 80% of the respondents were between the ages of 18 and 23. Table 1 also list the participants’ movie and television viewing hours per week. The lack of diversity in the participant pool is acknowledged as a limitation of the study.

Table 1: Demographic Characteristics of the Respondents

Variables	Frequency (N=284)	Percent
<u>Age</u>		
Less than 22 yrs old	221	55.7%
22-26	159	40.05%
More than 26 yrs old	17	4.25%
<u>Movies watching habit/week – In a movie theater</u>		
None	166	41.8%
One movie per week	186	46.9%
Two movies per week	29	7.3%
More than two movies per week	16	4.0%
<u>Movies watching habit/week – On television</u>		
None	46	11.6%
One movie per week	95	23.9%
Two movies per week	102	25.7%
More than two movies per week	154	38.8%
<u>Movies watching habit/week – On the Internet</u>		
None	258	65.0%
One movie per week	58	14.6%
Two movies per week	30	7.6%
More than two movies per week	51	12.8%
<u>Television watching habit/week</u>		
None	18	4.5%
One hour per week	97	24.4%
Two hours per week	102	25.7%
More than two hours per week	180	45.4%

Measurement Model and Structural Model Testing.

The four-step approach recommended by Mulaik & Millsap (2000) was used as a guide to test the SEM. The four-step approach consists of a common factor analysis to establish the number of latent variables and assess construct validity, a CFA to confirm the measurement model including reliability and validity of the measures, test of the structural model, and testing of nested models or model modification to obtain the model of best fit. The causal model testing was conducted using LISREL 8.72 with maximum-likelihood estimation method. Fit statistics including chi-square, goodness-of-fit-index (GFI), adjusted goodness-of-fit index (AGFI), and root mean square error of approximation (RMSEA) assessed model fit. A chi-square test assesses the adequacy of a hypothesized model to reflect variance and covariance of the data. For the statistical significance of parameter estimates, *t* values were used. Generally, fit statistics greater than or equal to .90 for CFI indicate a good model fit (Bentler & Bonnet, 1980). Similarly, RMSEA values lower than 0.05 and SRMR values lower than 0.08 indicate adequate model fit.

The first step was conducted using SPSS as an exploratory factor analysis using principal component with varimax rotation to identify

the latent variables in the model. A minimum eigenvalue of one was used as the criterion to control the number of factors extracted (Kaiser, 1960). Measured variables with factor/pattern coefficients greater than .40 on a single factor were included as part of the factor (Table 1). The factor loadings are an important consideration when calculating fit statistics. The ability of the Goodness of Fit Index (GFI) to distinguish correct/approximate from misspecified models appears to be positively related to the magnitude of the factor loadings (Shelvin & Miles, 1998). It can be assumed that higher factor loading will ensure a better fitting model.

Media Influence and Fashion Involvement. The exploratory factor analysis revealed only one factor for each of these variables (i.e., no rotation). Cronbach’s alpha was computed for each of the factors. Media Influence ($\alpha = 0.81$) and Fashion Involvement ($\alpha = 0.95$) explained 51.96% and 74.30% of the variance in the two factors respectively.

Purchase Behavior. The exploratory factor analysis of this scale revealed two factors labeled New Fashion ($\alpha = 0.81$) and Fashion in Media ($\alpha = 0.91$) that explained 73.33% of the variance (Table 2).

Figure 2: Structural Equation Modeling Analysis of the Proposed Model

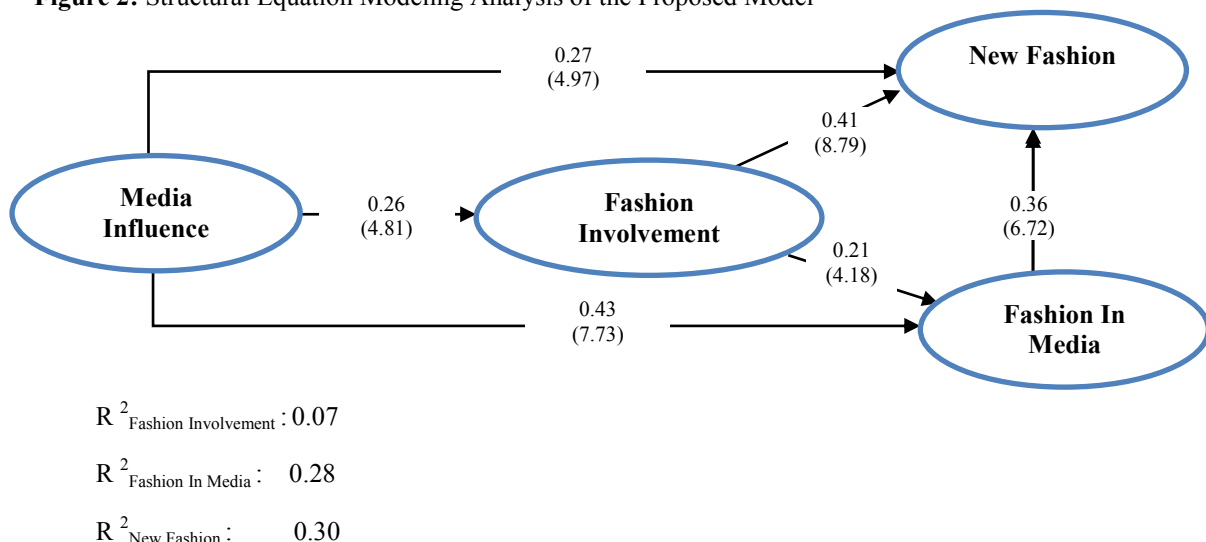


Table 2. Factor Analysis for Study Variables

<i>Factor items</i>	Factor loading	Eigen value	% of variance	α
<u>Media Influence</u>				
My friends and family ask me to recommend TV programs	0.79	3.117	51.96%	0.81
I am considered an TV "buff" or "aficionado" among my family and friends	0.76			
I actively seek information and gossip about new movies before their release	0.71			
I actively seek information and gossip about new TV programs before their release	0.70			
I am considered an movie "fanatic," "buff," or "aficionado" among my family and friends	0.69			
My friends and family ask me to recommend movie programs	0.68			
<u>Fashion Involvement</u>				
I have a strong commitment to fashion	0.91	6.687	74.30%	0.95
Fashion means a lot to me	0.90			
I think a lot about fashion	0.90			
Fashion is an important part of my life	0.90			
I am very interested in fashion	0.89			
Fashion is central to my identity as a person	0.82			
I am often pre-occupied with fashion	0.82			
I place a great value in making the right decision when it comes to fashion	0.82			
The purchase of fashion products (e.g. clothes, accessories, shoes, etc.) is important to me	0.80			
<u>New Fashion Purchase Behavior</u>				
I am interested in fashion portrayed in movies/TV programs	0.90	1.929	24.11%	0.81
I look for new fashions when I see trailers about new movies	0.86			
<u>Fashion In Media Purchase Behavior</u>				
I purchase handbags that I have seen in movies/TV programs	0.87	3.938	49.22%	0.91
I purchase jewelry that I have seen in movies/TV programs	0.86			
I purchase shoes/footwear that I have seen in movies/TV programs	0.85			
I purchase clothing that I have seen in movies/TV programs	0.82			
I use cosmetics to look like the stars in movies/TV programs	0.73			
I style my hair to look like the stars in movies/TV programs	0.61			

The second step was to test the fit of the measurement model by constraining or referencing the factor loading of one variable per latent construct to one. The fit of the measurement model was acceptable ($\chi^2 = 471.72$, RMSEA = 0.054, GFI = 0.91, and AGFI = 0.88). Therefore, the measurement model was retained without any modifications. The third step involved testing the fit of the structural model by adding the hypothesized relationships between the latent variables as shown in Figure 1. Generally, fit statistics greater than or equal to .90 for GFI and AFGI indicate a good model fit (Bagozzi & Yi, 1988; Hair, et. al., 1998). The final

model revealed overall acceptable fit ($\chi^2 = 480.46$, RMSEA = 0.054, GFI = 0.91, and AGFI = 0.88). A parameter estimate t value greater than 2.00 was considered an indicator of statistical significance (Byrne, 1998). Figure 2 displays the results of the causal model analysis, including significant standardized path coefficients and t values for each relationship as well as squared multiple correlations (R^2) for each endogenous construct. All paths with in the proposed model received significant statistical support, therefore, all the hypothesis were supported.

RESULTS AND DISCUSSIONS

Findings in this study indicate that movies and television programs do have a positive impact on Fashion Involvement, New Fashion Purchase

Behavior, and Fashion in Media Purchase Behavior for the Generation Y consumer, thus supporting hypotheses H_{1a}, H_{1b}, H_{1c}. Findings indicate the participants paid attention to the

emerging fashion themes in media – to the extent that they allowed character costumes to influence their own clothing purchase behavior. This is an important finding especially since Generation Y is an influential market segment with their annual spending power exceeding \$200 billion (Irwin, 2010). Generation Y is a unique group of consumers because they have been grown up in a media driven, technologically saturated world, making it difficult to reach them through traditional marketing strategies (Morton, 2002). Additionally, they have opposing attitudes, values, and behaviors about shopping when compared to other generations due to technological, socio-cultural, economic, and retail advances in the last several decades (Bakewell & Mitchell, 2003). Hence, it is imperative that the fashion industry explore new avenues in exposing these consumers to new fashion utilizing new media outlets such as movies and television. Movies and television are attractive channels as they appeal to the technology savvy Generation Y consumer especially since movies and televisions shows now can be streamed via internet to any mobile device. The results also indicate a positive relationship between media influence and fashion involvement supporting the hypothesis. The findings supported previous studies findings which have indicated that consumers involved with media were interested in processing marketing communications, particularly with fashion media and were also involved with the fashion product (O’Cass, 2001b; Solomon & Rabolt, 2004). Respondents who indicated a stronger affiliation for movies and television programs indicated a more positive level of fashion involvement and resultant purchase of relevant trends as well as interest in new fashion trends portrayed in movies and television, with the relationship having a higher beta coefficient for new fashion in media supporting hypotheses H_{2a} and H_{2b}. This market segment is paying

attention to many things in their environment. The findings in this study indicate they are aware, alert, and interested in a variety of incoming trends. Further, they indicated they make a conscious effort to discern trends while watching movies and television programs. This is an important finding as fashion retailers can take utilize movies and television to showcase new trends, especially since more fashion retailers are going mainstream. Additionally, celebrities are also perceived as role models and as such can influence people’s attitudes and behavior (Bandura, 1977; Ferris, 2007) and therefore it can be assumed that fashion worn by the celebrities in movies and television will influence interest in new fashion ideas/trends. Finally, the results also indicated that purchase of trends related to media influenced their interest in new fashion in general supporting hypothesis H₃. This finding is important in the light of earlier studies which have indicated that past purchase behavior influences today’s purchase behavior (Seetharaman & Chintagunta 1998) as well as a good predictor of future behavior (Bult & Wansbeek 1995). It can be inferred that consumers who are already purchasing fashion products seen in movies and television shows are also paying attention to new trends being shown which could lead to future purchase of these trends. It is important that fashion retailers pay attention to this group of consumers by utilizing technology friendly tools such as social media tools to provide offers specific to new fashion trends.

Implications and Recommendations

Overall, this study has succeeded in predicting the causal relationships (among independent and dependent variables) thus supporting the theories of media effects and meaning transfer (Cohen, 2001; McCracken, 1989). That is, clothing and accessories such as jewelry and shoes, worn by characters in movies and television programs (Hollywood) does have an impact on Generation Y consumers’ purchase

behavior. Furthermore, fashion in media is influencing consumer's purchase of cosmetic and grooming products thus emphasizing the transference of meaning from Hollywood imagery to their purchase behavior. These findings further suggest that there is a need to evaluate the specific financial impact of marketing techniques and approaches to launch or sell a product via movies or advertisements. Movies and television are powerful sources of information which have the capacity to reach a great number of consumers. This research provides a validation to brand managers to utilize the full potential of these sources to reach masses for promotion avenues in the fashion industry. Since fashion related behaviors are diverse due to the different meanings of fashion to different people, involvement with fashion can be considered a key measurement to analyze consumer behavior related to fashion. Moreover, this fashion involvement can result through numerous factors such as exposure to particular movies, television, celebrities, and advertisements. Among all these factors celebrities could prove to be a major source, as consumers consider them trustworthy and reliable sources for fashion information.

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Study Limitations and Suggestions for Future Studies

This exploratory study opens the door to numerous opportunities for further research in this area. The findings gleaned through this study will be beneficial for designers, retailers, advertisers and marketing professionals, as they verify the movie/television program channel as a promotion option in the fashion arena by demonstrating influence of movies and television on clothing purchase choices. Further, Chowdhary (2000) found that fashion opinion leadership does not decline with age; therefore it would be interesting to study the extent to which the influence of media personalities and movie characters are influential to older consumers.

These findings may not be generalizable to the study population because the sample was restricted to a small area. Future studies should be expanded to include different ethnic groups and a diverse age group. The questionnaire was administered online, which made it difficult to calculate the response rate. Additionally, this study asked participants to indicate their behavior on a questionnaire –actual purchase behavior was not verified. In future studies it is suggested that respondents are asked more specific questions that could be used to verify media influence on their actual purchase behavior.

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UNDERLYING DIMENSIONS OF PERCEIVED PERFORMANCE IMPROVEMENT AS A RESULT OF ATTENDING MANAGERIAL SALES TRAINING PROGRAMS IN MALAYSIA: AN EMERGING MARKET PERSPECTIVE

M. Asri Jantan & Ayse N. Balas

Abstract

This study examined the underlying dimensions of perceived sales managers' performance improvement as a result of attending managerial sales training in Malaysia. Surveys were distributed to 310 sales managers and 121 surveys were completed yielding a response rate of 39 percent. An overview of the findings revealed that sales managers reported to have experienced significant performance improvement from such important areas as: achieving sales objectives, providing information, and making effective sales presentation, as a result of attending managerial sales training offered by their firms' training center. Moreover, the results indicate that the results do not change based on the firms' characteristics - whether they are classified as low-tech or high-tech sales training; low budget or high budget sales training; consumer goods or industrial goods; or domestic or multinational.

Keywords: *Managerial Sales Training, Consumer and Industrial Goods Industry, Malaysia*

INTRODUCTION

Many of the measurement scales in sales management have been developed in the setting of industrialized markets. However, as emerging markets gain prominence in the global economy there is increased need for research that explores new perspectives and practices in sales management based on the realities of emerging markets (Sheth, 2011).

Large numbers of practitioner studies demonstrated possible association between sales training activities and favorable performance of sales team performance (Keater, 1994; Stein, 2011; Still, 1981). Equally important, in the past two decades, many empirical studies have also shown evidence that the sales training activities such as: needs assessment activities (Erffmeyer, Russ, & Hair, 1991); inter-departmental coordination of objectives setting (Honeycutt, Ford, & Tanner, 1994); selecting proper training methods and contents (Honeycutt, Ford, Lupton, and Flaherty, 1999); and adoption of higher level of evaluation techniques (Attia & Honeycutt,

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2000), can favorably affect sales representative's (Jantan & Honeycutt, 2002) and sales manager's (Anderson, Mehta, & Strong, 1997; Jantan, 2009) selling performance.

In other words, when sales training programs are implemented effectively, there is a strong tendency that sales managers could experience improvement in their performance level (Attia, Honeycutt, & Jantan, 2008; Honeycutt et al., 1999; Jantan, 2009). These findings are not only limited to the domestic market, such as the US, but also has gained similar momentum in the global market environment. Research in select global markets has consistently shown piecemeal findings related to perceived improvement of sales managers' performance as a result of attending sales training particularly in the area of market orientation (Erffmeyer, Al-khatib, Al-Habib, & Hair, 1993; Jantan, 2009; Jantan & Honeycutt, 2002); customer relationship management (Erffmeyer et al., 1993; Jantan, 2009); improvement in selling skills (Honeycutt et al., 1999; Jantan, 2009); and improvement in sales managers time management (Jantan & Honeycutt, 2002).

In spite of the above evident, very few studies have dealt with exploring the underlying dimensions of perceived performance improvement measures as a result of attending managerial sales training-- especially in an emerging country such as Malaysia (Attia et al., 2008; Jantan, 2009). Hence, consistent with these previous research findings and to further provide empirical support to the body of knowledge in this topical area, this study aims at exploring the following research questions:

RQ1: What are the underlying dimensions of perceived sales managers' performance improvement as a result of attending managerial sales training program as experienced by Malaysian sales managers?

RQ2: Do role of technology (low-tech/high-tech), industry type (consumer goods/industrial

goods), budget (high budget/low budget), and international involvement (multinational/domestic companies) influence the composition of the perceived sales managers' performance improvement scale?

QUESTIONNAIRE

The perceived sales manager's performance improvement measure for this study is derived by adopting Behrman and Perreault's (1982) sales performance scale. Only twenty of the thirty-one items from the original scale were deemed fit to be used for this study. Our scale utilizes a seven points Likert-type format that ranges from 1 (need improvement) to 7 (outstanding). The mean score of all items was used to indicate perceived improvement in sales manager's performance as a result of them attending the most recent managerial sales training program offered by their firms' training center.

The questionnaire was translated from English to *Bahasa Melayu*, and back-translated to English to resolve any discrepancies in meaning (Brislin, 1970). To ensure response consistency across firms, each sales manager was asked to evaluate the influence of their most recent *managerial sales training program*. In addition, to control for a similar effect of sales training program across participating firms, the researcher ensured that the sales training program under investigation was offered solely at their firm's training center and not offered by external training consultant or involved with external funding.

SAMPLE AND SETTING

The sample for our survey consisted of randomly selected companies listed in *Kuala Lumpur Stock Exchange Location of Share Register (KLSELOS) 2008 Directory*. This directory consisted of medium and large sized companies that were listed on the Kuala Lumpur Stock Exchange. Use of this directory ensured the existence of sales personnel and

their industry representation. We selected only firms that were from the industrial and commercial areas of Kuala Lumpur, Selangor, and Negeri Sembilan state of Malaysia; and this resulted in a list of 1242 firms. A systematic random sample of 310 firms was drawn by randomly selecting every 4th firm in this list. In order to increase response rate multiple techniques were used. First, the respondents were assured that their responses and their company profiles would be kept confidential. Second, a drop-off and pick-up method of distribution was used. One of the researchers personally distributed survey packets to 310

firms previously identified. Survey packet included a cover letter, the questionnaire, and an envelope to place the completed questionnaire. After reminding the sales managers about the questionnaire, and confirming the date for pick-up, the researcher visited the companies and picked up the completed questionnaire. Of the 310 firms approached to participate in this study, 121 completed and returned the survey back yielding a response rate of 39%. Table 1 summarizes the demographic profiles of the respondents participated in this study.

Table 1: Demographic Profiles

<i>Sample Profiles</i>	<i>Sample Description</i>
Title	Sales Managers
Gender	Male (87%) Female (13%)
Education Level (Median)	Bachelor Degree
Length of Employment (Median)	Between 10-15yrs
Age (Median)	Between 35-50
Sales (Median)	MYR 2.5 -3.00 Billion
Existence of Managerial Sales Training Programs	Yes, About 10 years (mean) in existence
Firm Size	Large
Length of Experience (Median)	Between 6-10 yrs

FINDINGS OF THE UNDERLYING DIMENSIONS OF THE IMPROVED PERFORMANCE MEASURES AS A RESULT OF ATTENDING MANAGERIAL SALES TRAINING PROGRAM

In order to assess the construct validity of the underlying factors of perceived improvement of sales managers’ performance, both exploratory factor analysis and confirmatory factor analysis were performed (Zhou, Yim, & Tse, 2005). Before conducting the analyses normality of the data was assessed. All of the skewness and kurtosis values were less than 1.96 which indicated non significant kurtosis. Mahalanobis distance revealed three potential outliers. After

careful examination of the responses three respondents were eliminated. The Bartlett test of sphericity [$\chi^2 (136) = 1026.63, p < .001$] and the Kaiser–Meyer–Olkin measure of sampling adequacy (KMO=.87) indicated that there were sufficient inter-item correlations within the data for performing factor analysis (Hair et al., 2010). According to Craig and Douglas (1999, p.335), when a scale is borrowed and adapted from a previous study, factor analysis must be used to assess the validity of the research instruments. Exploratory factor analysis (EFA) was conducted to uncover different dimensions of Perceived Sales Managers’ Performance Improvement (PSMPI) as a result of attending managerial

sales training in the Malaysian context. Eigenvalue rule of 1 was used, and Varimax rotation was applied to obtain a factor structure that has each variable loading on one and only one factor (Sharma 1996, p. 119). The results of EFA indicated that two variables had high cross-loadings more than .40, and thus these variables were excluded in subsequent analyses. At the completion of the analysis thirteen items were retained with four factors explaining 74.68 percent of variance. The eigenvalues for the four factors in the final solution were 6.133, 1.282, 1.176, and 1.118 respectively. These four factors were labeled as Sales Objectives (SO), Technical Knowledge (TK), Providing Information (PI), and Sales Presentation (SP).

The remaining thirteen-items of perceived sales managers' performance measure with its four dimensions is provided in the Appendix. Based on the results of the EFA, a hierarchical model with four first-order factors and one second-order factor was conceptualized. The first-order factors consist of Sales Objectives (SO), Technical Knowledge (TK), Providing Information (PI), while Sales Presentation (SP) represented the second-order construct of the Perceived Sales Managers' Performance. Only the first-order factors had observed variables loading on them, while the indicator for the second-order factor was these four first-order factors.

First-Order Model Analysis

Before testing our hierarchical model, the measurement properties of the four first-order factors were established by conducting a confirmatory factor analysis. The overall fit for the first-order measurement model, without any modifications, was good based on the fit indices, as suggested by Jackson, Gillaspay, and Purc-Stephenson (2009), χ^2 (d.f. 59) = 120.88 $p < .001$, comparative fit index (CFI) = .93, root mean square error of approximation (RMSEA) =

.09, and standardized root mean square residual (SRMR) = .06.

Convergent validity is supported as all the paths between the observed variables and their assigned latent variables were significant, and the standardized loadings were equal to or greater than .40, as shown in Table 2. Furthermore, convergent validity was also assessed by calculating construct reliabilities (Hair, Black, Babin, & Anderson, 2010). The calculated construct reliabilities for the four factors were .90, .80, .85, and .81 respectively. The construct reliabilities for all constructs were greater than .70, which indicated good reliability, as they are larger than the suggested threshold by Bagozzi and Yi (1988). Another indicator of convergent validity is average variance extracted (AVE). The calculated AVE values ranged between .59 and .69 and thus were larger than the suggested rule of thumb value of .50 (Fornell & Larcker, 1981). Table 2 provides the factor loadings, composite reliability and average variance extracted and Table 3 provides correlations among the first-order factors.

Discriminant validity was assessed for each construct by calculating average variance extracted values and comparing it to the shared variance for all possible pairs of constructs (Bagozzi & Yi, 1988). The results indicate support for discriminant validity as the square of the correlations among constructs ranged between .27 and .52, which are lower than the calculated AVE values. Moreover, discriminant validity for two estimated constructs was evaluated by constraining the estimated correlation parameter between pairs of constructs to 1, and comparing the χ^2 of this constrained model to the χ^2 of the unconstrained model for each pair (Anderson & Gerbing, 1988; Bagozzi, Yi, & Phillips, 1991). Changes on χ^2 were large and significant in each case, indicating the existence of discriminant validity.

Table 2: First-Order Measurement Model

<i>Factor</i>	<i>Indicator</i>	<i>Standardized Loading</i>	<i>Construct Reliability</i>	<i>Average Variance Extracted</i>
Sales Objectives	SO1	.85	.90	.69
	SO2	.95		
	SO3	.82		
	SO4	.68		
Technical Knowledge	TK1	.73	.80	.67
	TK2	.90		
Providing Information	PI1	.70	.85	.59
	PI2	.83		
	PI3	.84		
	PI4	.69		
Sales Presentation	SP1	.66	.81	.59
	SP2	.91		
	SP3	.71		

Table 3: Correlation Among the First-Order Factors

<i>Factor</i>	<i>SO</i>	<i>TK</i>	<i>PI</i>	<i>SP</i>
Sales Objectives (SO)	1			
Technical Knowledge (TK)	.52	1		
Providing Information (PI)	.72	.59	1	
Sales Presentation (SP)	.54	.47	.51	1

Second Order Model

After the reliability and validity of the first-order measures were assessed second-order factor structure was evaluated (Chandon, Wansink, & Laurent, 2000). The variance of the second-order factor was fixed to 1 for identification purposes (Byrne, 2001, Byrne & Stewart, 2006). The overall fit for the second-order measurement model was good [χ^2 (d.f. 59) = 120.88 $p < .001$, CFI = .93, RMSEA = .09, and SRMR = .06]. The standardized second-order factor loading were .79, .66, .91, and .70, respectively. With a .66 loading Technical Knowledge obtained the lowest second-order loading. The standardized error variances in the first-order factors were .28, .62, .19, and .40, respectively. Technical Knowledge had the largest error variance (.62), which implied that .62% of the variance of Technical Knowledge could not be explained by the second-order

factor and this factor was least satisfactorily represented by the second-order factor, Perceived Sales Managers' Performance Improvement (Cheung, 2000, p. 455). Therefore, we can state that providing information and sales orientation are explained by perceived sales managers' performance better than sales presentation and technical knowledge.

Multigroup Analysis

In order to test the hypotheses relating to the moderating role of technology in sales training (low-tech/high-tech), industry type (consumer goods/industrial goods), sales training budget (high budget/low budget), and international involvement (multinational/domestic companies) we separated the companies into two groups for each moderator. Our questionnaire asked sales managers to classify their companies into consumer goods versus

industrial goods, high-tech sales training (e.g., computer-aided training) versus low-tech sales training, and multinational company versus domestic company; and we used their responses to form dummy variables on industry type and international involvement. We followed El-Ansary (1993) when separating companies into two groups based on their training budget, and coded all firms with scores between 1 and 3 out of a 5-point scale as “low budget” group, and the remaining 4 and 5 into “high budget” group. Similar approach was used for classification into high-tech versus low-tech sales training methods. The extent to which the concerned company uses high-tech training methods was measured using the degree of agreement with the statement “High-tech methods are used as part of the training program of our firm,” (Honeycutt et al., 2002) and firms that scored between 1 and 3 out of a 5-point scale as “low-tech” group, and the remaining 4 and 5 into “high-tech” group. A sample size of 118 was adequate to conduct first- and second-order confirmatory factor analysis, using covariance based SEM, however, it is small for conducting a multiple group analysis. Covariance based SEM, using AMOS or other software, is inadequate for handling small sample sizes (Hulland, 1999). However, partial least squares (PLS) based structural equation modeling accommodates small sample sizes

(Hair, Sarstedt, Ringle, & Mena, 2012; Navarro, Acedo, Losada, & Ruzo, 2011; Reinartz, Haenlein, & Henseler, 2009). Therefore, we conducted multigroup analysis using SmartPLS 2.0 (Ringle, Wende, & Will, 2005). The multigroup path coefficient differences were examined based on the procedure suggested by Henseler, Ringle, and Sinkovics (2009) for each moderator. First, the measurement model (inner model) was run separately for each subgroup (i.e. high-tech/low-tech, consumer goods/industrial goods, high budget/low budget, and multinational/domestic). Second, the significance of corresponding paths between PSMPI and its four dimensions were visually inspected for each pair. Third, Henseler et al.'s (2009) formula for determining the p-values were calculated for each moderating variable. As shown in Table 4, the impact of moderating variables on the paths between the first-order variables and the latent variable was insignificant at $\alpha = 0.05$. In other words, whether the firms were in high-tech industries or low-tech industries had no impact on the paths between sales objectives, technical knowledge, providing information, and sales presentation and perceived sales managers' performance. The same holds true for industry type, budget and international involvement.

Table 4
Comparison of Path Coefficients

	High-tech (n=50)		Low-tech (n=68)		p-value	Consumer goods (n=55)		Industrial goods (n=63)		p-value	High-budget (n=84)		Low-budget (n=34)		p-value	Multinational (n=54)		Domestic (n=64)		p-value
	PSMPI	SE	PSMPI	SE		PSMPI	SE	PSMPI	SE		PSMPI	SE	PSMPI	SE		PSMPI	SE	PSMPI	SE	
SO	.86	.03	.86	.04	.49 ^{ns}	.86	.04	.86	.04	.49 ^{ns}	.86	.03	.86	.05	.54 ^{ns}	.86	.04	.86	.03	.49 ^{ns}
PI	.89	.02	.89	.03	.48 ^{ns}	.89	.03	.89	.03	.50 ^{ns}	.89	.03	.89	.04	.51 ^{ns}	.89	.04	.89	.03	.49 ^{ns}
TK	.67	.06	.67	.08	.49 ^{ns}	.67	.09	.67	.09	.49 ^{ns}	.67	.07	.67	.11	.53 ^{ns}	.67	.09	.67	.08	.49 ^{ns}
SP	.76	.06	.76	.08	.49 ^{ns}	.76	.08	.76	.08	.50 ^{ns}	.76	.07	.76	.12	.54 ^{ns}	.76	.09	.76	.08	.49 ^{ns}

Notes: ns = nonsignificant

DISCUSSION AND MANAGERIAL IMPLICATIONS

This study makes a valuable contribution to the literature by establishing a scale for perceived sales managers' performance improvement and testing whether this scale is invariant across different technologies, industries, budget, and international involvement.

First, it is evident from our results that managerial sales training could provide improvement in such pertinent sales managers' performance as in the area of: achieving sales objectives, providing information, making effective sales presentation, and providing technical knowledge. This is clearly depicted by the strong factor loadings, high construct

reliability, and the discriminant validity of the underlying factor structures as reported in both Table 2 and 3 of this study. This finding provides strong empirical support to the anecdotal claims made by many prolific authors in the area of professional selling concerning how sales training could provide significant improvement in sales people' performance (Manning et al., 2010; Ingram et al., 2012). Thus, firms in Malaysia must continue to invest in sales training dollars because such strategy clearly supports sales managers' performance improvement in those important areas.

Second, while the four performance measures could all provide performance improvement for sales managers' performance in both the Consumer and Industrial goods industries in Malaysia; the data also proved that only three of the four important performance areas - achieving sales objectives, providing information to consumers, and making sales presentation - have strong predictive ability towards the improvement of sales managers' performance as a result of attending managerial sales training program. In other words, the former three performance measures have stronger predictive ability in the improvement of sales managers' performance than the remaining performance measure, providing technical knowledge as a result of attending managerial sales training program (Refer to the second order analysis). This second finding offers one practical recommendation for firms who took part in the study to offer more effective managerial sales training contents that will take into account how to improve their sales managers' technical knowledge skills. By the same token, firms who took part in the study should also feel relief knowing that their sales training programs did provide some returns on investment by providing improvement in their sales managers' performance in the area of achieving sales objectives, providing information, and making effective sales presentation to key customers.

Finally, the results indicate that the PSMPI scale is stable across companies with different sales training technologies (low-tech/high-tech), industry (consumer goods/industrial goods), budget (low budget/high budget), and international involvement (domestic/multinational). The results that support the invariant nature of our scale have a number of implications. First, they support the notion that the PSMPI is an instrument that can be used under different settings. In other words, the PSMPI scale applies to both low-tech and high-tech companies, companies that produce consumer goods and industrial goods, companies with low budget and high budget, and companies that have strong international involvement and domestic companies. Second, the results indicate that the results obtained using the PSMPI scale in one population in Malaysia are likely to be generalized to other populations. This facilitates the generalization of studies conducted using different samples. In summary, we can state that the PSMPI is a valuable instrument.

FUTURE RESEARCH AREA

This study offers two future research suggestions which subsequent research could further improve upon. First, since the sample was selected from both the Consumer and Industrial goods industries in Malaysia, future studies could focus on one of the two industries to provide an in depth analysis from a single industry perspective in that country. Second, more variables such as corporate culture, the degree of firms' sales training technology sophistication, the degree of firms' sales training orientation/acceptance, and the degree of top management support of sales training culture could be developed as mediating and moderating variables to create a more robust analyses for future empirical studies in this topical area.

CONCLUSION

In conclusion, in the past three decades, sales training program has remained as a strong tool utilized by salespeople and sales managers to educate and equip them on how they could improve their daily selling performance for businesses around the globe including an emerging country such as Malaysia. This is especially true where Malaysian sales managers from both the Consumer and Industrial goods industries experienced performance improvement in the three of the

four critical performance areas as mentioned in the discussion section earlier. The notion that sales training remains an important strategic tool in the corporate world today is better summed by Lawler (2008) when the author cautioned that employees will leave a company because of the frustrations they experienced as a result of not getting the proper support, coaching, and feedback, which in turn will result in failure to achieve their organizations' sales objectives.

APPENDIX

Sales Objectives (SO)

- SO1. Helped me to produce a high market share for our company in my territory.
- SO2. Helped me to generate high levels of dollar sales.
- SO3. Helped me to generate sales of new company products.
- SO4. Helped me produce sales with long-term profitability.

Technical Knowledge (TK)

- TK1. Helped me to know the design and specifications of company products.
- TK2. Helped me to know the applications and functions of company products.

Providing Information (PI)

- PI1. Helped me to carry out company policies, procedures, and programs for providing information.
- PI2. Provided me with accurate and complete paperwork related to order, expenses, and other routine reports.
- PI3. Provided me input on how company operations and procedures can be improved
- PI4. Increased my productivity by submitting required reports on time.

Sales Presentation (SP)

- SP1. Improved my performance by practicing good listening skills (i.e., listening attentively to customers to identify and understand their real concerns).
- SP2. Improved my performance by demonstrating the ability to understand customers' unique problems and concerns.
- SP3. Improved my performance by mastering the skills of establishing contact (networking) to develop new customers.

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WHAT CONSTITUTES AN ISLAMIC RETAILER? ISLAMIC STORE ATTRIBUTES FROM THE PERSPECTIVES OF ISLAMIC MARKETING PRINCIPLES.

Abdul Rahim Abu Bakar & Siti Rahayu Hussin

Abstract

An upcoming trend that has caught the attention of marketers and consumers alike is the recent debut of retailers that projected itself as an Islamic retailer. This paper provides a critical overview of the existing scholarship on the influence of Islam specifically towards consumer retail store selection. This paper outlined the general store attributes of an Islamic retailer based on the synthesis of past literatures. As the store image or “store personality” is determined as one of the factors of store choice, which is largely based on the store attributes, it is pertinent for retailers to project the “appropriate” Islamic store image in the minds of consumers.

Keywords: *Islamic Marketing; Islamic Retailer; Store attributes*

1. Introduction

The retail industry sector is considered as one of the important economic contributors to a country's economy. With the encouraging growth in retail industry, it seems that the industry will continue to be a prominent economic activity in generating revenue for a country. In Malaysia the retail sector comprises of a wide ranging category from department stores, supermarkets and mini markets, specialty shops, convenience stores, provision stores, pharmacies, medical halls, direct sale, wet market stalls to pavement shops and petrol kiosk. However, an upcoming trend that has caught the attention of marketers and consumers alike is the recent debut of small scale retailers that operate based on “Islamic” concept or rather projected itself as an Islamic retailer. While the Islamic products and services

of banks and other financial related products are “well defined” and established (e.g. Dusuki and Abdullah, 2007; Abbas, Hamid, Joher, and Ismail, 2003; Ahmad, and Haron, 2002), the concept of these newly established Islamic retailer is still unclear. The rationale for the growth of these new breed of retailers which position themselves on Islamic image is justifiable. With the global population of 1.8 billion people who say their faith shapes their consumption choices, it's a market estimated at US\$2.1 trillion. This power is articulated especially through the emergence of a Muslim middle class, which is united in its interest in consumption and ability to afford branded products (Nasr, 2009).

In countries like Turkey, Saudi Arabia, United Arab Emirates, Malaysia and Indonesia to name a few, accumulation of wealth had resulted in the creation of a new middle class “conservative in values but avant-garde in consumption practices” (Sandikci and Ger, 2002, p. 467; Wong, 2007; Nasr, 2009). In

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addition, the current political mood indicates that there appears to be a definitive push towards greater Islamisation of countries where Muslims are in the majority in the form of a return to the application of the Islamic law (Sharia) to all facets of life and thought. With respect to Malaysia, there is a growing confidence among many Malaysian Muslims that the syari'ah or Islamic law should guide all economic and social transactions in Malaysia (Sloane-White, 2011). Since the late 2000s, consultancy reports highlighting the importance of addressing the Muslim market began to appear (Kearney, 2007; JWT, 2009; Ogilvy and Mather, 2010). Common in these reports is the emphasis on the size of the Muslim market and its purchasing power. In addition, the profiles of this particular target market are predominantly young, tech-savvy Muslims who take pride in their faith but embrace modernity. Hence, along with the Muslim middle class, there is increasing visibility of Muslim entrepreneurs, a new breed of businesspeople, located in both Muslim-majority and minority societies, who are keenly pursuing Islamic principles as well as capitalist aspirations (Adas, 2006; Osella and Osella, 2009).

According to Malik Musharaf, vice president of Malaysia's Halal Industry Development corporation, the global halal ecosystem is worth "more than US\$2.3 trillion annually and is fast gaining attention worldwide". He says the halal eco-system cuts across many industries, ranging from halal food and non-food products to halal-related services, including Islamic banking and finance, halal logistics, tourism and healthcare. Hence, with the significant economic contribution that the Islamic eco-system brings, retailers need to understand the Islamic principles and guidelines that dictate the consumer purchases (Al Serhan, 2010). The word 'Islamic' itself won't be enough to engage with consumers or attract store patronage.

While the Islamic products and services of banks and other financial related products are "well defined" and established, the concept of these newly established Islamic retailer is still unclear. At the same time, customers differ in terms of their store choice and evaluation of store attributes. This can be attributed to many customer background factors such as culture, personality, and lifestyle. What follows next is a critical overview of the existing scholarship on the influence of religion in general and Islam specifically towards consumer retail store selection. Therefore, the objective of this paper is to outline the general store attributes of an Islamic retailer based on the synthesis of these literatures. Finally, it highlights the development and progress within the concept of the Islamic retail outlet.

2. Retail and Religion

The retailing sector has been the focus of much academic research and considerable attention has been directed to the way consumers think and feel about stores that makes up their attitudes and perceptions towards the stores. The main issue for retailers is consumer choice; choice of product as well as choice from where to buy that particular product. In the process of evaluating retail store, consumers consider a variety of factors, often referred to in retailing literature as store-choice evaluative criteria (Rosebloom, 1983). According to Moye (2000), consumers engage in a comparison process in their minds to determine whether their evaluation of the relative importance of store attributes aligns with their perceptions of these attributes. If the two factors match, then the consumer chooses the store. Consumer compares the importance of store attributes with the store image (i.e. overall perception) to determine acceptable and unacceptable stores. If consumers' perceptions of the store attributes are positive, then they may decide to purchase from the store. On the other hand, if consumers' perceptions of the store attributes

are negative, then they are unlikely to shop in the store (Engel et al. 1995). As the store image or “store personality” is determined as one of the factors of store choice, which is largely based on the store attributes, it is pertinent for retailers to project the “appropriate” store image in the minds of consumers. Hence, store attributes help retailers to predict which shopping outlets people will prefer.

Differences in consumer choice and evaluation of store attributes can be attributed to many reasons such as, different culture, personality, and lifestyle. Previous studies in the area of culture and formation of consumption (e.g. Shaw and Clarke, 1998) have generally identified cultural values as important factors in determining the consumption behavior of individuals. The effect of culture on people’s life is so great that it will even affect the motives and choices when consuming or shopping (Chang, 2005). Although culture is the most basic deciding factor of human desire and behavior, it is actually religious groups that are one of the major determinants in subculture influencing consumer behavior (Shah Alam, Mohd and Hisham, 2011). Gayatri, Chan, Mort and Hume (2011) for instance found that a Muslim who holds Islamic cultural values will influence his or her evaluation criteria for restaurant, hotel and airlines service quality and in turn, the use of these services.

Religion is an important cultural factor to study because it is one of the most universal and influential social institutions that have significant influence on people’s attitudes, values and behaviors at both the individual and societal levels (Mokhlis, 2009). Religion is a set of beliefs that are taught since childhood, and people gradually commit to the religion as they have greater understandings towards its teachings. Hence, religiosity may serve as a potentially powerful predictor and determinant of consumer behavior.

Islam is a religion that guides Muslims in every aspect of life, not just in specific acts of worship. For instance, in the Qur’anic verse, Al Isra’:26-27, Allah commands Muslims not to consume or spend extravagantly, but to spend in the way of Allah. Islam also provides guidance on how and what to trade, how to interact with others and what can be consumed. For example, eating and drinking are strictly followed according to the Islamic rules in the everyday life of the Muslim society. In Islam, religion is not a culture but it is basically a way of life that could form a set of behavior that is termed as “Islamic”. According to Alserhan (2011), practicing Muslims are those who strive to comply with the teachings of Islam, such as carrying out duties depicted in the pillars of Islam (i.e. performing the daily five prayers, fasting in the month of Ramadhan etc.).

The rules and laws are derived from three important sources, namely the Holy *Qur’an* (the holy book of the religion of Islam), *Sunnah* (the practice and tradition of the Prophet Muhammad s.a.w.) and *ijtihad* (the reasoning of qualified scholars). Further elaboration and interpretation of the rules dictated by the Holy *Qur’an* and *Sunnah* are provided by qualified scholars in Islamic jurisprudence via *ijtihad* or an interpretative process which is carried out within the framework of *Qur’an* and *Sunnah*.

In discussing the concept of Islamic retail however, one needs to clearly define between the main pillars (*usul*) and branches (*furuq*). Issues about what is halal which involves food and finance are mainly *usul* which is relatively clear. Mixing of the genders for instance is haraam and country like Saudi Arabia has made it clear that all business premises must segregate its customers based on gender (male and family) although some Islamic scholars have discussed and argued that there are exceptions to that rule. Nevertheless, some of the issues

are *furuq* such as music, pictures or specific decors that creates the ambience of the retail store. These issues are debatable or *khilaf* among the main *mazhabs*. In terms of operating hours, the issue of closing the business premises during prayer times is also *khilaf*. Hence, it might create an issue among some Muslims depending on their views (or their stand on the Islamic school of thought) of the issues.

2.1 Retail Store Attributes and Islam

As defined in many marketing textbooks, attributes refer to tangible and intangible characteristics of products that provide “subjective satisfactions” or “needs satisfaction to consumers”. Several marketing researchers have used these attributes to compare and contrast consumer images of competing stores. In a meta-analysis by Lindquist (1974-1975), it was found that attributes influencing store patronage behavior are: (1) merchandise selection or assortment, (2) merchandise quality, (3) merchandise pricing, (4) locational convenience (5) merchandise styling or fashion, (6) general service, and (7) salesclerk service. Meanwhile, Tigert (1983) analyzed the results of thirty-eight studies across four retail sectors (retail food, fast food, do-it-yourself, and fashion). For retail food store-choice, Tigert performed a comparative analysis between the proportions of total numbers of attributes. He found that locational convenience is the most determinant attribute. Low price was the second strongest attribute. Consequently, the sequence of importance of the attributes is as follows: (1) locational convenience, (2) low price, (3) merchandise assortment, (4) service, and (5) merchandise quality.

More recently, scholars had found that there is another unique dimension affecting store patronage behavior, which relates to religious customer (e.g. Muslim). For example, McDaniel and Burnett (1990) found that religiosity as

being measured by cognitive and behavioral components have significant relationship with store choice. Consumers with a high degree of cognitive religious commitment have viewed that sales personnel friendliness, shopping efficiency, and product quality as being of greater importance in selecting a retail store than did those low in cognitive religious commitment. On the other hand, religious contribution, a behavioral component of religious commitment, was positively and significantly associated with sales personnel friendliness/assistance and credit availability.

3. Marketing Mix

3.1 Product

While these findings are based on religiosity in “general”, Islam outlines a clear guideline on what is permissible, i.e. the concept of *halal* and *haram*. Halal (Arabic: حلال, "permissible") is a term designating any object or an action which is permissible to use or engage in, according to *sharia* (Islamic law). The term is used to designate food seen as permissible according to Islamic law. The opposite of this word is *haram*. The terms *halal* and *haram* are applied to many facets of life where it includes any Sharia compliant products ranging from bank dealings to cosmetics, vaccines, and tourism. This means offering product that are particularly designed to cater for Muslim considerations and address Muslim needs. By this definition *halal* covers many aspects of a product: its components, production process, and delivery (Koçturk, 2002). Based on Malaysia’s department of Islamic development (Jabatan Kemajuan Islam Malaysia, JAKIM) the *halal* guidelines are guided by Qur’anic interpretations by the four *mazhabs* (school of thought) namely Maliki, Hambali, Syafie and Hanafi. The complete guidelines of *halal* food based on certain criteria highlighted by JAKIM are:

- 1) Does not consist of or contain anything which is considered to be unlawful according to Islamic law.
- 2) Has not been prepared, processed, transported or stored using any appliance or facility that was not free from anything unlawful according to Islamic law and
- 3) Has not, in the course of preparation, processing, transportation or storage been in *direct contact* with any food that fails to satisfy 1 and 2 above.

Previously, the halal dimensions were suggested to measure only service retailing such as bank (Haron, Ahmad, and Planisek, 2005), and insurances company. But, recently, the halal dimension is also seen to influence other retail industries. A study by Abu (2004) had proved the importance of the halal dimension in the retail sector. Abu (2004) revealed that offering halal merchandise is an important attribute in selecting a store. The study found that although factors such as merchandise assortment and quality of the merchandise are important, the most important factor in selection of the merchandise is the halal considerations. One of the statements that elaborated the feeling of Muslims in retail store selection can be related to the following quotation based on a study by Mohd Fauzi and Muhammad (2011), "*Personally, knowing that a store is sensitive towards Islamic values makes me more confident to shop at the store... no doubts on the halalness of products sold there...*" Indeed, for the devout Muslims they are not only concerned about halal but the product must also be *halalan tayyibba*, which means that it goes beyond halal concept where the product is in good quality to enhance the confidence of "Muslim made" product.

As a Muslim consumer, it is part of their obligations to find halal product and they must shy away from consumable that are doubted. This matter of fact has been stressed in Al

Quran in surah Al Baqarah verse 2:168 and Al-Baqarah verse 2:172 respectively.

"O ye people! Eat what is on earth, lawful (halal) and good (tayyib)... (Al-Baqarah, 2:168)

"O you who believe! Eat of the good things that we have provided to you, and be grateful of god, if it is He ye worship. He hath only forbidden you dead meat, and blood, and the flesh of swine and that on which any other name hath been invoked besides that of god." (Al-Baqarah, 2:172)

By referring to the definition by JAKIM, halal means not only prohibited to unlawful food, but the concept of halal is wide. Moreover in Islam, it is not only concerned about halal but must be *tayyib* (good). The concept of halal is broad and the product not only must free from prohibited items but also must be prepared, store and prepare according to *syari'ah* compliance. Furthermore it must be clean and hygiene to determine that the food or products are safe to be consumed or eaten.

3.2 Sales personnel

While it is important the products sold are halal, the appearance of the employees in the store must also follow Islamic appearance which means dress according to the Islamic guidelines which is covering the *aurah*. The *aurah* is the intimate parts of the human body that must be covered from the sight of others with proper clothing. Nevertheless, which body parts must be covered and how it is covered varies between different schools of Islamic thought. There are many verses in the Qur'an that stated this. Among the verses is "*O Prophet! Tell your wives and your daughters, and the believing women, to draw their cloaks (veils) over their bodies. That will be better that they should be known (as respectable woman) so as not to be annoyed. And Allah is Ever Oft-Forgiving, Most Merciful.*" (Al-Ahzab:59).

3.3 Price

In terms of pricing mechanism, Islam forbids *riba* which means interest. *Riba* is forbidden in Islamic economic jurisprudence *fiqh* and is considered as a major sin. *Riba* is considered unjust gains in trade or business, generally through exploitation. The Qur'an deals with *riba* in 12 verses. For instance in Al Baqarah (verse 2:275), "*Allah has permitted trade and has forbidden interest*". Therefore, any pricing mechanism that incurs interest (usually in credit terms) is rejected in Islam.

In addition, any extra cost or added features that might materially change the product or influence the buyer's final purchase decisions needs to be clarified. On the same note, it is not allowed to change a price without altering the quality or quantity of the product because this is considered as cheating. The essence of this practice is to treat all customers fairly. For instance, in complementary products – retailers need to inform the price of both items so that the customers know the prices of both products and do not feel deceived when buying either or both products.

Meanwhile, price discounts offered by retailers that could benefit consumers in terms of saving money on items on sale are encouraged (Abdullah, 2008). It is stated in the Qur'an, "Those who, when they spend, are not extravagant and not niggardly, but hold a just (balance) between those (extremes)" (Al-Furqan-25:67). On the other hand, Islam forbids any price manipulation such as hoarding and or restriction on trade. During festivities, the supplies of certain goods or products are in high demand and frequently, suppliers are having difficulty to meet these demands. Unethical retailers would normally take this opportunity to hoard items to raise the price. On the other hand, to compete aggressively through price cutting is also not permissible in Islam. Once the second Caliph Umar Ibn al-Khattab passed by

Hatib ibn Abi Balta'ah and found him selling raisins at a much lower price with the intention of putting his competitors to loss. Caliph Umar Ibn al-Khattab told him: "Either enhance your rate or get away from our market".

3.4 Promotion

With regards to promotional activities, it comes under the same ruling as the product that is being marketed or sold. If it is something that is permissible to use and consume, there is nothing wrong with promoting it. This is based on the verses of Al Maidah 5:2 where Allah stated "*Help you one another in Al-Birr and At-Taqwa (virtue, righteousness and piety); but do not help one another in sin and transgression. And fear Allah. Verily, Allah is Severe in punishment*". However, one needs to be cautious that he should not overstep the limits such as describing the product as other than what it actually is, because this is considered lying and Islam forbids any sort of deceptive promotional behavior. According to Islamic principles, marketers are required to "disclose all faults in their goods, whether obvious or hidden; to do otherwise cannot be seen "on the surface" and cannot be found out by the " cursory glance" to the purchaser. In addition, it is dictated that – "A sale without any stipulation makes it necessary that the thing sold should be free from defect".

Al-Qur'an condemns all forms and shapes of false assertion, unfounded accusation, concoction and false testimony (al-Qur'an, 43:19). It is unethical for the salesman to over-praise his products and attribute to them qualities which they do not possess (Ibn al-Ukhuwwah, 1938). Furthermore, giving a false impression of any kind to promote or sell a product is strictly prohibited. The Prophet Muhammad (Peace be upon him) expressly condemned all manipulative promotional behavior stating that, "One who cheats us is not one of us". Therefore, in promoting the

products or services, Islamic retailers should follow the following rules of:

avoidance of false and misleading advertising;
rejection of high pressure manipulations, or misleading sales tactics;
avoidance of sales promotions that use deception or manipulation.

Any promotional techniques must not use sexual appeal or false testimonies in their promotional activities. In determining where to advertise, the basic principle is that it is not permissible to sign up for advertising programs unless one can be certain that it is not collaborating in non permissible activities such as in "wild" concerts (where there is a free mixing of gender, alcohol and revealing of body parts) as it is not permissible to advertise, promote or help to spread evil. Otherwise, the retailer will be a partner in spreading and propagating haraam activities.

3.5 Location

Finally, in terms of location or distribution, the meeting together, mixing, and intermingling of men and women in one place, the crowding of them together, and the revealing and exposure of women to men are prohibited. Verse No. 53 of Surah al-Ahzab "...for anything ye want, ask them from before a screen: that makes for greater purity for your hearts and for theirs..." The Prophet Muhammad (May peace and blessings be upon him) enforced separation of men and women even at Allah's most revered and preferred place, the mosque. Therefore, retailers must take precautions to avoid meeting and mixing of men and women as much as possible while at the same time achieving desired goals and objectives. This result can be achieved by designating separate places assigned for men and women, using different doors for each or have female staffs attending female customers.

In "distributing" products and services, Islamic retailers ought to follow the principles where there should be:

No manipulation on the availability of a product for purpose of exploitation;
No coercion in the marketing channel;
No exerting undue influence over the re-sellers choice to handle a product.

Within the process of distribution itself, Islam does not permit the usage of packaging designs that are not safe or inappropriate. The channel of distribution must not create unnecessary burden for the final customer in terms of higher prices or delivery delays.

4. Current Islamic Retail Practice

As time goes by, Muslims customers are seen to becoming more discerning and require not only more sophisticated products and services but also products that conform to the Islamic teachings. Muslims want and expect to acquire foods and services according to their religious tenets, thus, the requirement for syari'ah compliance has become more prevalent. The retail industry has been quick to respond to these changes in customers' preference. For example, few multinational hypermarkets are beginning to do their part in catering to the Muslims needs, such as displaying halal meat in a separate freezer. On a global perspective, Brazilian suppliers have built elaborate halal chicken slaughtering facilities to export to Islamic countries. Hand in hand is New Zealand which is currently the world's biggest exporter of halal lamb. Similarly, Netherlands has halal warehouses, where imported halal goods are stored away from haram products such as pork or alcohol.

In small retail stores or groceries stores, haraam products are normally not "visibly" located or placed at an obscure location. French Carrefour in Malaysia implements a very elaborate halal process to keep halal foods separate. Goods

that are halal or haraam are coded with little green stickers to alert customers. Clearly, haraam goods such as those containing alcohol, pork or tobacco are confined to a glass room at the back of the store. Further, these haraam products are handled by staff wearing special blue gloves and sealed in airtight pink plastic wrapping after purchase, in order not to contaminate the main store (Power and Abdullah, 2009). Mixing halal and haraam products are not acceptable by Muslims in Malaysia (although the products are well wrapped and packed). The company also operates a halal logistics hub west of Kuala Lumpur, which have cold-storage facilities, sterilization units and a lab to test products to ensure they are halal (Power and Gatsiounis, 2007).

It can also be observed in major high-end shopping malls in Kuala Lumpur such as Pavilion and KLCC, where facilities for Muslims are provided. Most shopping malls provide separate Muslim prayer rooms for men and women. There are hair saloons providing exclusive rooms for female only which is sharia compliant whereby Muslims ladies have to cover their hair. Islamic banks in Malaysia for example, Bank Muamalat assigns separate sitting areas for ladies and men. In Kelantan, the eastern part of Malaysia, numerous cashiers are assigned for separate genders.

Within the food based retail outlet, it is more straight forward to determine whether an outlet is an Islamic compliant as JAKIM issues the halal certification to restaurants that serve halal food. Hence, in the case of food outlet, the entry of Western franchised food outlets has changed the eating landscape in many Muslim countries, while simultaneously subjecting the Western food companies to new standards of halal certification, a process termed halalisation (Fischer, 2008). However, for non food sector, it is quite unclear whether the store is "Islamic" or

not. Alternatively, these retailers subjected themselves to enhance the "tangibility" of the Islamic positioning through using Islamic or rather Arabic names of their retail stores, uniforms or the dress of the staffs and providing prayer rooms.

5. Managerial and Policy Implications

Our elaborate discussions on what constitutes an Islamic retailer based on the rules and guidelines of Islamic syari'ah depicts that this issue is complicated. Although the main principles (usul) depicting the rules and regulation of certain (commercial) activities (e.g. what is halal) are relatively clear among the four Islamic School of thought, what constitutes proper Islamic business practices (e.g. retailing) is still highly contested, dynamic and negotiated (khilaf). For example, how modest dressing is interpreted differs greatly across Muslims communities and over time. In addition, the modern and fashionable scarfs or veil has generated acceptance as well as criticisms among Islamic clerics as well as Muslims, rendering the meaning of proper Islamic dress even more complicated. The playing of "Islamic" music in business settings or locations in countries such as Malaysia and Indonesia are acceptable and may signify an Islamic store personality. This scenario as Gilsenan (1990:34) pointed out, a continuation of 'beliefs and practices that ... (the "ulama'/scholars)... might consider un-Islamic but ... [are]... regarded as perfectly Islamic by their practitioners and constantly blended into popular cultural tradition'. However, the same practices may invite harsh reconciliation among enforcement officers and Muslim patrons say in Saudi Arabia. In addition, in terms of consumers' awareness and concerns, it is observed that Muslim consumers in mixed populations (where there are mixed numbers of religious beliefs) tend to be more sensitive and aware of the issue of halal and haraam

compared to places where Muslims dominated (as it is assumed that everything sold is halal).

Therefore, given such complexity and multiplicity, understanding the dynamics of “Islam in local context” (Eickelman, 1982) becomes imperative. Businesses need to take consideration and be sensitive to what is acceptable at the local context even though the same practices or products are accepted by Muslims elsewhere. On the same note, while it is important that businesses understand Muslim consumers better, they also need to understand the intersection of religion with other variables such as gender, age, income status and so on. Although the Muslim consumers are linked by faith, their decision making may differ due to the influence of these variables. Hence, retailers need to avoid the stereotypes that all Muslims think and act the same way or want the same products and services.

6. Conclusions

Our paper highlights that there are issues which share common ideals or philosophies especially in the case of justice and fairness. Businesses that follow Islamic principles avoid all forms of injustice and haram and follow an array of sharia-compliant ethical behaviors and moral values that promote social solidarity and welfare. In this paper, we propose that the attributes of Islamic store includes product, price, place and promotion strategies based on Islamic principles. Thus, the product attributes should be halalal tayyiban, which means only halal products to be sold and the sales of haram product is prohibited. In terms of price attributes, a company’s pricing strategy should not be exploitative of consumers’ needs or their

unawareness and have any involvement in interest, gambling and price manipulation. Promotional strategies of the Islamic retailers is treated as a seller’s promise to customers, thus it should not use high-pressure manipulations or misleading sales tactics. Meanwhile, the place attributes should ensure that the store is “orderly” arranged that enables the customers of different gender to shop without “overly” mixing or in some instances – complete separation of the different gender.

Islam prohibits businesses to deceive its consumers; it urges businesses to treat its customers and competitors fairly without resorting to unethical activities. Islamic ethics of compassion, generosity and giving to the poor seem to resonate with the notion of corporate social responsibility (CSR). While, most people may view the CSR as a Western invention, it is actually one of the foundations of the Islamic way of life. Perhaps, one of the most successful developments in this area is the creation of “corporate waqf”. ‘*Waqf*’ means devoting something for the cause of Allah (God) or the basic purpose is ‘good task’ for Allah (God). Johor Corporation (one of Malaysia’s successful corporations) developed corporate *waqf* in the context of business and has been successful in developing chains of medical clinics, hospitals, mosques and even micro financing (interest free start-up funds) for small entrepreneurs. It is apparent that there are some very interesting new ways of developing and running businesses in the Islamic world through applying traditional Islamic values and religious practice to corporate life. It is hoped that more studies and work is done to bridge the knowledge gap in this area.

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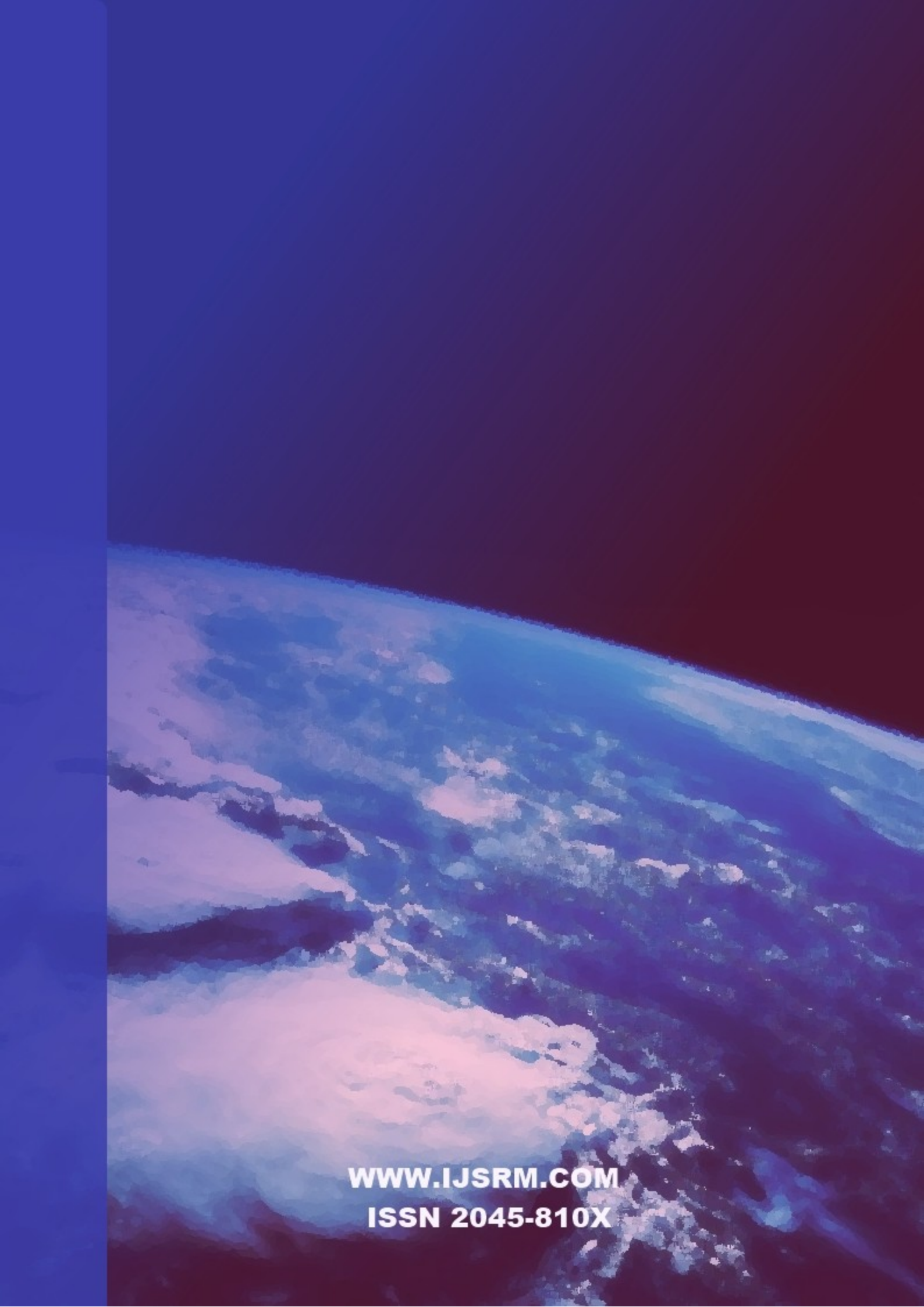
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