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Contents:

Editorial

The current issue of the International Journal of Sales, Retail and Marketing presents some outstanding research papers from all around the world. 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 seven research papers of high academic quality written by academics from India, South Africa, Albania, Greece and Spain.
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

Thank you for following the IJSRM and we wish you an enjoyable reading!

Dr.sc. Mirko Palić

Editor

STUDY OF IMPACT OF BRAND IMAGE OF RETAILERS ON CUSTOMERS' BUYING DECISION OF STORE BRANDS

Sonal Gupta, Rajendra Jain & Varun Parmal

Abstract

This research paper is an attempt to find out the impact of brand image of retailers on customers' decision whether to buy the store brands. The purpose of this study is also to examine how the brand image of retailers affects the perceived quality and perceived risk of store brands and ultimately the customers' buying decision of store brands. Convenience sampling technique was used to collect responses from 100 customers through mall intercept method using structured questionnaire as research instrument. This study reveals that brand image of retailer has significant impact on buying decision of customers. Study also suggests that brand image of retailer has significant impact on perceived quality and perceived risk of buying store brands.

Keywords: *Store Brands, Store Image, Buying Decision, Perceived Quality, Perceived Risk*

INTRODUCTION

In India the growth of organized retailing results into the growth of store brands which are also

called as private labels. The performance of store brands in India is quite reckonable. There is an increasing acceptance for private labels in India. According to Global Private Label Consumer Study by ACNielsen (2005) 56% of their survey respondents in India considered private labels to be good alternatives to manufacturers' brands. The growth of store brands in India presents an interesting opportunity for the retailer to understand the motivations of consumers behind choice of private label brands. According to Images Retail

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Report (2009), as quoted in "Indian Retail: Time to Change Lanes" by KPMG; private label brands constitute 10-12% of organized retail in India. Retailers had taken all the steps to enhance the image of store brands. They had repositioned the private labels in such a way that they occupy their own identity in competitive market.

Store image is the set of consumer perceptions of a store based on different attributes, including service, selection, convenience, store atmosphere, and quality Bloemer & Ruyter (1997). Store image refers to a consumer's global impression of a retail store. Store image offers recognition, familiarity, confidence, and other associations that make it easier for consumers to make the decision to try the product.

In this situation it has become important to build strong brand image among customers. Reda (2002), Collins-Dodd and Lindley (2003), and Dhar and Hoch (1997) stated that store image influences the private labels' brand image. Positive store image is a key asset for retailers to achieve and sustain success in an

increasingly competitive marketplace (Grewal et al., 1998). According to Livesey and Lennon (1978) possible reasons for perception differences are; experience with store brands, heterogeneous response to marketing activities, different product needs, perceived risk and category importance among consumers.

Building a strong and successful store brand is one of the important challenges in front of retailers. Consumers' buying behaviors are considerably influenced by the image of retailer for buying store brands. In this regard, in the current study, role of brand image of retailer on buying decision of customers is examined.

Rationale

As more and more organized retail chains are emerging in Indian market, each every retailer is trying to build up their image in the market. With the growth of these chains acceptance of store brands is also increased in the market. In this scenario image of retailer creates an impact on store brands. There are very limited researches available regarding store brands in India. The current researches on private labels are conducted mostly in countries where store brands are well established. Most of the researches conducted on corporate image and customer's decision of buying national brands but there is dearth in researches on image of retailer and store brands. In response to the concerns raised above this study is undertaken to understand the influence of retailers' brand image on customer decision of buying store brands. This study will open the doors for the new research area, and will also help the retailers to successfully develop an effective strategy for store brands.

Objectives

1. To study the role of brand image of retailer on customers' buying decision of store brands.

2. To study the affect of brand image of retailer on perceived quality of store brands

3. To study the affect of brand image of retailer on perceived risk in buying store brands

Hypotheses

H_{01}: Brand image of retailer do not play any significant role on customers' buying decision of store brands

H_{02}: Brand image of retailer do not have significant affect on the perceived quality of store brands

H_{03}: Brand image of retailer do not have significant affect on the perceived risk in buying store brands

LITERATURE REVIEW

Private Labels have long been considered an important aspect of the retail industry, both as a strategic tool for retailers and a unique source of competition for manufacturers (Batra and Sinha 2000; Bellizzi, et al., 1981). Retailers' Brand also play a major role in improving stores' profitability (Ailawadi and Harlam, 2004), their differentiation strategy toward competing stores (Davies, 1990) as well as their consumer attraction and loyalty-building capacity (Corstjens and Lal, 2000). Moreover, a consumer who is loyal to a retailer brand will have a more favorable perception of the overall retailer brand (de Wulf et al., 2005). Consumers who are loyal to a specific retailer brand are likely to be more loyal to the store (Uncles and Ellis, 1989; Steenkamp and Dekimpe, 1997).

Collins-Dodd and Lindley (2003) stated that the store brands are seen as extensions of the store image and can, therefore, contribute to store differentiation in the minds of consumers. Results showed that store brands were rated most highly by those who shopped most at each store which may be explained by greater experience or familiarity. Bao et al., (2010)

focused on the role of intangible extrinsic cues, including store image, product signatureness, and quality variation in a product category. Study suggested that private brands of different stores are differentiated on store images and exhibit differential quality perception and purchase intention. Richardson, Dick and Jain (1994) demonstrated the role of store aesthetics in the formation of perceptions of store brand quality. Results showed that store aesthetics can increase the evaluation of the quality of store brands. Martenson (2007) showed "Store as a Brand," that is how retailers perform their job, is more important than that the store offers store brands for customer satisfaction. It was found that customers are satisfied when the store is neat and pleasant and when they feel that the store understands their needs. Narasimhan and Wilcox (1998) suggested that private labels, not supported by consumer advertising by the manufacturers of these products can be supported by in-store merchandising by the retailers. Vahie and Paswan (2006) focused on the relationship between perceived private label brand (PLB) image, and perceived store image (SI) and feeling associated with the presence of national brand (NB). Two factors, SI-quality and NBSI national brand and store image (NBSI)-congruence influence both the quality and affective dimensions of consumer perception of private label brand.

Dick, Jain and Richardson (1995) documented perceived risk as an important factor in store brand purchasing behavior. Dunn, Murphy and Skelly (1986) found that consumers regard private label brands as most risky on performance measures compared to national brands. Researchers suggested that private label brands are least risky on financial measures; however, social risk is less important for supermarket products generally. Liljander et al., (2009) suggested that store image, mitigate the perceived psychosocial risk. Both dimensions of store image, atmosphere and

quality negatively affect consumers' perceived risk. Six main risk dimensions have been proposed to explain consumers' choice behavior; performance, financial, social, psychological and physical risk Jacoby and Kaplan (1972), as well as time or convenience risk. Erdem, Zhao, and Valenzuela (2004) found that in countries such as the UK, private label brands share is affected by greater risk, reduced price-quality evaluations and lower brand loyalty.

d'Astous and Saint-Louis (2005) stated that consumer evaluations of store brands and national brands were influenced by the joint effects of store image and intended usage situation. It was found that consumer preferences for branded garments result from the interplay of store image and purchase motivation. Porter and Claycomb (1997) investigated the relationship between brand characteristics - awareness level and image and their influence on consumers' perceptions of retail image. They proposed a model of relationships between the number of recognizable brands carried by a retail establishment, the presence or absence of an anchor brand, and perceptions of retail image. Findings indicated that brand image did significantly influence overall retail store image.

Binninger (2008) analyzed that the improvement of consumer satisfaction with some particular retailer brands has an impact on building loyalty to those brands. The results showed that the increase in retailer brands satisfaction and loyalty influences store loyalty, and that attitude toward retailer brands products has a moderating effect on the relationships between retailer brands satisfaction and loyalty. De Wulf, Odekerken-Schroder, Goedertier and Van Ossel (2005) found that for three out of four store brands, brand equity is present when consumers are loyal to the store carrying the store brand. It was observed that retailers engage much more

in experience marketing in comparison to manufacturers who rely on traditional mass media. Study indicated that private label is part of the total store experience and helps to build the store brand.

RESEARCH METHODOLOGY

The methodology for the study is quantitative in nature. The present research was carried out through mall intercept interviews at selected retail chains in Madhya Pradesh. A non-probability, convenience sampling technique was used to administer a consumer survey. A total of 150 questionnaires were administered; responses to 135 were received. Out of the collected 135 questionnaires, 100 were found to be fit for analysis

Data were collected with the help of structured questionnaire as a research instrument.

Questionnaire was based on 5 point likert scale anchored between Strongly Disagree to Strongly Agree.

Reliability and validity test

Split half reliability was calculated to check the reliability and found to be .76 which is high. Validity is checked by face validity and content validity by the help of experts.

Data analysis:

1. Role of brand image of retailer in buying decision of customers for store brands
The first objective of the study was to study the role of brand image of retailer on buying decision of customers. For this Chi Square test was applied, the results are given in the Table No.1:

Table No. 1: Chi-Square for role of brand image of retailer on customers' buying decision of store brands

	I consider the brand of retailer before buying store brands	I buy store brands only from retailers having strong image in the market	I am more familiar with store brands of retailers who has strong branding	Strong brand image of retailer increases my intention of buying store brand	I would be willing to pay a higher price for the private label of retailers having strong image in market
Chi-Square(a)	20.500	19.800	27.900	10.000	14.800
Df	4	4	4	4	4
Sig.	.000	.001	.000	.040	.005

(a) 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0.

This table shows the test statistics, all the significance values are smaller than 0.05 at 0.01 level of significance with 4 degree of freedom, therefore the null hypothesis (H_{01}), i.e. : Brand image of retailer do not play any significant role on customers' buying decision of store brands is rejected. Hence it is concluded that brand image of retailers' plays significant role in purchase decision of customers.

1. **Affect of brand image of retailer on perceived quality of store brands**
The second objective of the study was to study the affect of brand image of retailer on perceived quality of store brands. For this Chi-Square test was applied. The results are given in Table No.2:

Table No. 2: Chi-Square for affect of brand image of retailer on perceived quality of store brands

	Strong brand image of retailers convince me that store brand is of good quality	Strong brand image of retailers increase my satisfaction level about quality of store brand	Retailer with strong brand image have more variety of store brands	Strong brand image of retailers increases trust in performance of store brands	Store brands of Retailers with strong brand gives value for money
Chi-Square(a)	16.400	19.200	20.500	21.200	20.000
Df	4	4	4	4	4
Sig.	.003	.001	.000	.000	.000

(a) 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0.

This table shows the test statistics, all the significance values are smaller than 0.05 at 0.01 level of significance with 4 degree of freedom, therefore the null hypothesis (H_{02}), i.e. Brand image of retailer do not have significant affect on the perceived quality of store brands is rejected. Hence it is concluded that brand image of retailers have significant affect on perceived quality of store brands.

2. **Affect of brand image of retailer on perceived risk in buying store brands**
   The third objective of the study was to study to study the affect of brand image of retailer on perceived risk in buying store brands. For this Chi-square test was applied. The results are given in Table No.3:

Table No. 3 : Chi-Square for affect of brand image of retailer on perceived risk in buying store brands

	Putting money in buying store brands of retailers with strong image is worthy for me	Store brands of retailers with strong band image reduces the risk of financial loss in buying the store brand	Strong brand image of retailer increases the image of store brand	Strong brand image of retailer reduces the risk of buying store brand	Store brands of retailers with strong brand image gives me psychological satisfaction of buying it	I find buying store brands of retailers having strong image in market is reflects my image in society	Better After sales service is provided with store brands of retailers having strong image in the market
Chi-Square(a)	28.400	35.400	9.700	11.900	20.500	21.700	20.900
Df	4	4	4	4	4	4	4
Sig.	.000	.000	.046	.018	.000	.000	.000

(a) 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0.

The above table shows the test statistics, all the significance values are smaller than 0.05 at 0.01 level of significance with 4 degree of freedom, therefore the null hypothesis (H_{03}), i.e. Brand image of retailer do not have significant affect

on the perceived risk in buying store brands is rejected. Hence it is concluded that brand image of retailer have significant affect on perceived risk in buying store brands.

DISCUSSIONS AND CONCLUSION

Several studies demonstrate that retail store image affects consumer product judgments and responses in a positive manner. Richardson et al., (1996) showed that if the store has an attractive store atmosphere, quality rating of store brands increased by 21 percent. Presents research shows similarity in terms of how retailers' image create an impact on customers' buying decision of store brands with Collins-Dodd and Lindley (2003) who stated that store image influence specific store brand evaluations and store brands are seen as extensions of the store image and can, therefore, contribute to store differentiation in the minds of consumers and also with the work of Martenson (2007) who suggested that there is a reciprocal influence between store image and individual store brand image, the influence is stronger from the store to the brand than in the opposite direction. In other words, when consumers have tried the store brand, their opinion about it will have a potential influence on the store image, but it is more likely that the image of the store already influenced consumers' willingness to try the brand.

Liljander et al., (2009) suggested that store image, mitigate the perceived psychosocial risk. Both dimensions of store image, atmosphere and quality negatively affect consumers' perceived risk. It was found that each dimension of the store image affected different dimensions of risk. Present study also supports these findings by suggesting that brand image of retailer plays significant role on perceived risk in buying store brands.

Present study also reveals that store image plays significant role on perceived quality of store brands. These findings are consistent with the results of Vahie and Paswan (2006)

indicated that the store atmosphere and store quality positively influence the perception of private label brand's quality and also with the study of Semeijn et al., (2004) who suggested that the store image acts as an important indicator of store brand quality.

Implications
As private labels have become strategic tools to create differentiation and increase the footfalls, this study will have important strategic implications for retailers. The findings of this study will bring their focus on store image and its impact on customers buying decisions of store brands. This study gives valuable insights towards perceived quality and perceived risk of store brands. Retailers should put efforts to chalk out effective strategy for improving their brand image for the success of store brands.

Scope and limitations
Since the scope of present study is limited to Madhya Pradesh, one of the states of India, it can be carried out at national and international level. The scope of present study can further be expanded in the context of different geographic, demographic and socio-cultural variables which could not be included in the present study. By considering the present research as a base further research on private labels can be carried out for studying the impact of store image of a specific retail chain on its store brands. Retailers marketing activities are increasing with the growth of store brands and they are launching new store brands in new categories. Due to this research can be extended to find out the best management practices which should be adopted by retailers for making their store brands successful in the market.

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IMPACT OF RETAIL STORE CHARACTERISTICS ON CONSUMER PURCHASE INTENTION

Hafiz Ihsan-ur-Rehman, Muhammad Ashar, Bakhtawar Javed, Mayda Khalid & Rabia Nawaz

Abstract

Global retailers considering the Asian market as a most attractive play field for gaining profit. Through communication networks and mass media, global corporate culture has been brought and influencing the consumer's habits by changing their life style and purchasing patterns. The purpose of this study is to investigate the extent, to which store characteristics; product assortment, store atmosphere, location and Purchase intention would influence the Pakistani consumer's store choice. To analyze the factors that influence consumer's Purchase intention, 200 questionnaires were distributed among the general public out of which One hundred and eighty surveys were received. This study would help the retailers to increase their market share and profitability by providing desirable store environment to their customers. Retailers can use these store attributes to maintain their existing customers and to attract new customers.

INTRODUCTION

Global retailers have been consolidated and strengthening their roots day by day in developing countries and trying to improving their operational performance for gaining sustainable growth in Asian markets. As Asian markets have become most attractive play field for global giants due to increase in purchasing power of customers.

The importance of the retailing is seldom subject to work on it, especially in developing countries like; Pakistan. Through communication networks and mass media, global corporate culture has been brought and influencing the consumer's habits by changing their life style and purchasing patterns. This study finds out and analyzes the different aspects of retail store, which influence the consumer's purchase intention towards store choice. Those aspects are product assortment,

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store atmosphere, location and purchase intention.

Product assortment means the availability of merchandise under one roof, which enables the customer to avail the great width of different global and local products, and as well as provide one stop shopping experience. Store atmospherics includes; store design, lighting, music, wide aisle and odor. All these characteristics will generate a positive assessment of the store.

Store location has a deep effect on the consumer's retail store choice. A most favorable store-site, can affect different demographic factors such as; age, income, gender and family size. For getting the competitive advantage, retailers must consider the distance that customer's willing to travel for shopping at the store.

Purchase intention is customer willingness to make a purchase of a specific product or service, which can be influenced by product assortment, Store atmosphere and location. The purpose of this study is to investigate the

extent, to which these characteristics would influence the Pakistani consumer's store choice.

LITERATURE REVIEW

Product Assortment

Now a day it is commonly said theory that most of the customers like and have a preference to large assortments and a large range of products. The likelihood of the selection of a store typically and largely depends on store size, and its assortment size and is inversely dependent on distance from home said in the foundational theory of store choice (Reilly 1931; Huff 1964; see Hubbard 1978 and Brown1989 for reviews of this work; Baumol and Idle 1956 makes a similar argument). Among all the store image attributes, only product assortment and price place great variances in choices said by Finn and Louviere (1996).

Availability of great breadth of different products offered by a store has a great amount of impact on consumer's perception about store and retail image. Because availability under one roof enables customer to avail many advantages. First the great the width of the range, the greater the number of different situations under which a retailer is recalled, and is considered by the consumer as noted by the Keller (2003). Secondly, the one stop shopping convenience that a broad product range enables more   important than ever for consumers with limited time today (Messinger and Narasimhan 1997), increasing pressures on retailers to broaden their range.

Also the depth of the retail assortment affects so much on consumer store choice. Variety seeking consumers will perceive greater convenience as the perceived assortment of brands, flavors and sizes increases (McAlister and Pessemier 1982; Kahn and Wansink 2004), consumers will believe they have more elasticity in their choices who have vague future preferences (Kahn and Lehmann 1991), and there are more chances that those consumers locate the item they desire. Private brand

assortment is very much popular in many stores also with manufactures' brand. A motivation for offering private labels is the highest percent margins (Hoch and Banerji 1993), and second, the implicit assumption that providing a private label brand generates loyalty to the store(Steenkamp and Dekimpe 1997). Baumol and Ide (1956) and Brown (1978) observed that stores which offer more product assortment, for those consumers are willing to travel farther to those stores than those which offer low assortment. Assortment is multidimensional – Broniarczyk, Hoyer and McAlister (1998) determined that three factors affect consumers' perceptions of assortment in a category—the amount of shelf space devoted to the category and the number of SKUs, and the availability of the consumer's favorite item (note that the terms "item," "product" and "SKUs" will be used interchangeably).

Hoch, Bradlow and Wansink (1999) determined that product attributes affect consumers' perceptions of an assortment. Also in another study it is examined that product attributes, style, colors, and SKU's is counted in product assortment (Terry.J). However, the number of brands and sizes are attributes that can be applied sparingly across categories (Boatwright and Nunes 2001). Here in this research we have chosen following measures of category 1. Number of brands offered, 2. Number of sizes per brand, 3. Style and colors, 4. Availability of a household's favorite brands, 5. Private brand 6. Number of stock-keeping units projected.

There has also been suggested that shoppers can feel comfortable and feel extra activity when you see a wide range and variety of items and goods (Kahn, Moore, and Glazer 1987, see also Broniarczyk, Hoyer, and McAlister 1998). And finally large assortment also help shopper and to increase sale and give surety of sale that by seeing large assortment and a big range of products shopper might prefer to purchase from that store by minimizing the ambiguity of that available assortment is not good enough for selection, and   large assortment also

eliminate the thinking of shopper that available assortment is not envoy of all good brands or products and might be another store have more good variety of products available and shopper think that he/she should go to other stores also (Greenleaf and Lehmann 1995; Karni and Schwartz 1977).

But there are some factors which favor in reduced or decreased assortment. It is the limited space in the store. As if we are saying that increased assortment increase our sale but it is constrained here that every retailer is unable to increase store space and shelf space. As shelf space is limited and it increases the chances of not as good product visibility as in limited edition of goods. This factor argues on limited occupancy of the shelf by keeping sufficient number of stock keeping units. So finally it is concluded that consumers and competitors leads us to increase assortment but shelf and store space leads us to reduce product assortment(Cadenat, 2003).

Atmosphere

For a very competitive market, retailers can not benefit from price, product, distribution and promotion. So, retailers set it apart from others, through special characteristics of retail stores. As consumers buy instant action can be affected by the environment kept. Previous studies focused solely on music and lighting elements, but this particular study many aspects of store environment. The results show that the store staff and store design can influence the shopping mood, not music. It is also possible, satisfaction affected by emotions of shopping through mediating role of consumption behavior. Consumer experience of positive emotions in the shop will generate a positive assessment of the stock (Liao, Liaw, & Jen).

Some studies reveal that retail store music experience stimulates the consumption level in terms of behavioral, cognitive and emotional reactions, visibility and attitude, the money and

spending time in the shop as well. The consumer profile, the profile store, market timing and environmental cues moderate the impact of music on purchasing behavior (Jain & Bagdare, 2011).

Slow-tempo music perceive positive service quality and low arousing cues have mediating effects on consumer's perception but fast tempo music and high arousing cues have indirect effect on consumer perception (Michon & Chebat, 2006).This study investigated the effect of store atmosphere on consumer expectations about the quality of products and store image as a mediator, either web-based shop, or a brick and mortar store. Findings support previous studies which have shown that consumer purchase intentions can be affected by store image and consumer expectations (Oh, Fiorito, Cho, & Hofacker, 2007).

Retail stores must utilize unproductive area by providing wide aisle, which facilitate the movement of customers throughout the store. Aisle deign would influence the pattern of traffic flow towards the merchandising .Lighting consider as a mood setter tool. It can be bright, and soft lights, which flow throughout the display area. Retailers use these sophisticated lights at regular interval for the sake of customer attention. For various behaviour and situations, lighting preferences varies individual to individual (Butler & Biner 1987). As compare to bright lighting, soft light create more pleasant and soothing mood (Meer 1985).

Research suggests that home Interior decor express the self concept and social status (Lauman & House, 1973), (Jin, 1990; Joy & Dholakia, 1991; Lauman & House, 1973) (Sadalla, Veshure, & Burroughs, 1987). Likewise stores have self image and personality (Martineau, 1958) and it can be communicated to the customers through store interior designing Greenberg, Sherman, &Shiffman, 1983 ; Rich & Portis, 1964)(Greenberg et al., 1983; Kotler, 1973). Pleasant environmental

odor had positive effect on evaluations of in store atmosphere, available merchandising and intend the customers to visit the store again and again (Sprangenberg et al., 1996). Results indicate that fragranced store display generates the most positive responses and pleasurable experiences (Fiore, Yah, & Yoh, 2000).

Location

Retail location analysis helps in site selection for a business outlet and in shaping the performance of retail outlets in the trade area of the store. Selection of store location is a long-term decision which requires a long-term capital dedication in this context store location is considered one of the most important element in retail marketing strategy(Zentes, morschett, & schramm). The choice of a store location has a deep effect on the entire business of a retail operation. For selecting a most favorable store-site, it is important to consider the demographic factors of that area including age, income, traffic patterns, family size, competition and related kind of retail outlets.

This study has discussed Geographic information system which is being utilized now a day for analyzing the structure of retail activities with location data. Geographic information system include Decision Support Systems, and Gravity Model(Byrom, Retail Location Analysis:A Case Study of Burger King & McDonald's in Portage & Summit Counties, Ohio, 2005).Geographic information system collect and transform the several databases into a common set of database (Pettit, 1999) For analyzing, and mapping spatial data such as transport networks, retail location analysis, land-use patterns and opinion poll data Geographic information system is the most extensively used software now.

Three key factors such as distance traveled to get to the store, size of the store, and the retail image of the store based on its products, easy accessibility, visibility, parking are used in Gravity Model (Mercurio, 1984).For getting the competitive advantage for retailers Decision support systems is also becoming a significant source.

While selecting a location an important factor which must be considered is examining the distance that a customer has to travel. The distances which customers want to travel are depend upon the type of product to be purchased. On the base of specialty or commodity product number of the trips made by consumers and the travel time will be different (Salvaneschi, 1996).

Purchase Intention

Purchase intention of the consumer depends on the store characteristic, like location, assortment, and atmosphere of a particular brand. It can be defined as:

"A purchase intention is customer willingness to make a purchase of a specific product or service"

Purchase intention of the customers consists on the following steps:

First step is Problem identification, than search out the information about the problem, evaluating the alternatives, finally customer make a purchase on these basis. Post-purchase behavior develops through these steps.(Engel et all, 1995).Sometimes consumers buy the product in store that is more attractive and make a decision on the spot. The intention of purchasing the consumer may be impulse buying or partially pre-programmed and can be fully pre-planned.

In impulse buying behavior of consumers to make the decision and make an instant purchase of the product that is more attractive to him, partly in pre-planned the consumer to choose the product type and model, but choose the brand in the store and completely pre-planned for an existing customer to choose the product and the brand he will buy (Engel JF Blackwell, 1995).

Consumer sentiment and the situation may affect their impulsive purchase intent. Consumer sentiment include the personal taste of the situation and express that impulse purchase intent of consumers differ due to variation in a situation such as prices increase more than customer expectations (Kotler, 2003). Brand awareness, consumer perception and brand association has a significant impact on purchase intent (Shwu-Ing Wu and Chen-Lien Lo, 2009).Brand awareness increase brand loyalty, consumer confidence and purchases intent for the consumer (Aaker,. D., 1990).

Hypothesi

H1: Product assortment has strong significant impact on purchase intention.

H2: location has strong significant impact on purchase intention

H3: store atmosphere has significant impact on purchase intention

METHODOLOGY

To analyze and conclude the effects of product assortment, store atmosphere and location on purchase intention. Data is collected from the retail store customers of Pakistan, with convenient random sampling technique. The target population of this study was all the retail store customers. 200 questionnaires were distributed out of 180 complete questionnaire were received to analyze the data. These questionnaires were got filled from retail store customers of Gujranwala, Gujrat and Wazirabad. A measuring instrument as closed questionnaire was developed with the aim of collecting data. Questionnaire was classified into two main sections, first one Demographic and another section was subjective.

Demographic Section

Demographic section of this questionnaire information about the employee's Gender, Age, Marital Status, education and city. Total respondent were 180 out of that 20were male and female respondents were 160 in numbers while the age of majority of retail store customers were in the range of 20-24 years and their frequency was 114 .In marital status of the retail store customers was 9 were married rest of the customers were single. Analysis of Educational status shows that 163 are Graduate and 17 persons are of intermediate level. Most of the respondents belong to Gujranwala city and

Table 1: Pearson's moment correlation   N=150

Variables	Mean	Std. Deviation	Alpha	1	2	3	4
Product assortment	2.8944	.4329	.887	1			
Store atmosphere	4.0213	.7329	.881	.631**			
Location	3.9370	.5946	.885	.570**	.504**		
Purchase intention	4.0426	5549	.890	.337**	.156**	.580**	1

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

Table: 2

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.608^a	.370	.360	.44409	2.064

a. Predictors: (Constant), Location, Store atmosphere, Product assortment

b. Dependent Variable: purchase intention

Table:3

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.407	3	6.802	34.491	.000^a
	Residual	34.711	176	.197		
	Total	55.118	179			

a. Predictors: (Constant), Location, Store atmosphere, Product assortment

b. Dependent Variable: purchase intention

Table:4

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.987	.253		7.850	.000
	Product assortment	.170	.107	.132	1.591	.113
	Store atmosphere	-.184	.060	-.243	-3.069	.002
	Location	.585	.070	.627	8.388	.000

a. Dependent Variable: purchase intention

its ratio is 160, and 15 respondents from Gujrat and the rest of five respondents were the inhabitants of wazirabad.

Results and Discussion

To observe the impact of Product assortment, Store atmosphere and location on Purchase intention, Pearson's moment correlation was analyzed and to test the relationship of Product assortment, Store atmosphere and location on Purchase intention linear regression was conducted. Descriptive statistics was also computed to analyze the tendency of the respondents and Cronbach's alpha was measured to test the reliability of the analysis.

In Table 1 Mean value of Product assortment is 2.894 that shows positive tendency of the respondents. 2.894 is not much close to 5 that shows product assortment does not have significant effect on Purchase intention. While, .4329 is standard Deviation that shows 43% variation among responses where as alpha is .887 that shows 89 % reliability of the survey about Product assortment of the respondents. Table 1 show that Product assortment is strongly correlated with store atmosphere, location and purchase intention. 4.0213 is close to 5 that shows Store atmosphere have significant effect on purchase intention while ,.7329 is standard Deviation that shows 73% variation among responses where as alpha is .881 that shows 88% reliability of the survey about store atmosphere of the respondents. Table 1 show that store atmosphere is strongly correlated with product assortment, location and purchase intention.

Mean value of Location is 3.9370 that show positive tendency of the respondents. 3.9370 is close to 5 that shows Location have significant effect on Purchase intention. While, .594 is standard Deviation that shows 59% variation among responses where as alpha is .885 that shows 89% reliability of the survey about of the respondents. Table 1 show that Location is strongly correlated with Product assortment, Store atmosphere and purchase intention.

To test the relationship of Product assortment, Store atmosphere and location on Purchase intention, linear regression is applied while to test the normality of data and nature of correlation Durbin Watson is also applied.

Table 2 shows R = .608 which shows 60 % variation in product assortment, store atmosphere, and location on purchase intention. R square is the coefficient of determination which shows that 37 %total variation with its linear relationship of Durbin Watson test is used to test the nature of correlation whether it is positive autocorrelation or negative autocorrelation & zero autocorrelation. Since the value of "d" is more than 2 it means there is negative autocorrelation.

Table 3 of ANOVA shows level of significance, since the value of "p" is less than .05 so it is accepted that product assortment, store atmosphere and location has significant effect on purchase intention. In Table 4 A = 1.987 is the average of purchase intention, when product assortment is zero whereas .170 is the value of "beta" that shows one unit increase of product assortment will bring .170 unit increase in purchase intention.

Purchase intention = 1.987+ .170(product assortment)

Above linear equation shows that one percent product assortment will bring 17% change in purchase intention.

When store atmosphere is zero whereas -.184 is the value of "beta" that shows one unit decrease of store atmosphere will bring -18% unit decreases in purchase intention.

Purchase intention = 1.987 + -.184 (store atmosphere)

Above linear equation shows that one percent store atmosphere will bring -18% change in purchase intention. When location is zero, whereas .585 is the value of "beta" that shows one unit increase of location will bring .585 unit increases in purchase intention.

Purchase intention = 1.987 + .585 (location)

Above linear equation shows that one percent location will bring 58% changes in purchase intention.

According to table 4 if tolerance value exceeds than 5 and VIF exceed 10 then it means Co linearity in data exist. Table 4 indicates .517, .571, and .641 is the tolerance value and VIF is less than 10 that show there is no Co linearity exist.

Limitations

This research has some limitations along with its fruitful results. First our targeted areas were limited which Gujranwala, wazirabad and gujrat. Second our research was not selective to some particular retail outlets, we collected data from general retail customers who usually do shopping. Third our survey was based on small sample of customers. Fourth Researchers can obtain better results of this study by using other tools and statistical methods. Fifth due to time constraint some customers did not respond properly.

Despite of these limitations, this study also provides some future directions. In spite of above mentioned store characteristics in-store attitude and after sales services can also be investigated to measure purchase intention. Area of study and sample size can also be increased to attain more significant results. Shopping involvement and shopping motive can also be investigated. Third this research could be extended to cross cultural context.

Practical implication

This study would help the retailers to increase their market share and profitability by providing desirable store environment to their customers. By using above mentioned store characteristics local retailers can get competitive advantage over global retailers. Retailers can use these store attributes to maintain their existing customers and to attract new customers.

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DERIVING CUSTOMER SATISFACTION AND LOYALTY FROM ORGANIZED RETAILER'S SALES PROMOTION ACTIVITIES IN INDIA

Kirti Dutta & Swati Singh

Abstract

Organized retail in India is dominated by few powerful players who are organizing sales promotion activities at regular intervals to attract customers. The paper studies this promotion activity and data was collected from different organized retail stores of one of the major retailer. ACSI, ECSI models were used for analysis. Findings reveal the customers have a whole set of expectations from the store in terms of quality of the products on sale, variety on sale, behavior of staff etc. Increase in perceived quality is found to impact customer satisfaction and loyalty and retailers need to identify strategies around the same.

Keywords: *ACSI, Promotions management, retail management, customer satisfaction, customer loyalty*

INTRODUCTION

The retail sector in India has seen considerable growth over the years; as a result it has attracted players from across the globe. This growth has been fuelled by higher income levels, favorable demographics and government policies. The Indian retail sector comprises of both organized and unorganized players with the unorganized sector commanding 96% share of retail sales. (Economic Times, 2012).

India's retail sector is likely to touch US$ 833 billion by the year 2013 & record US$ 1.3 trillion by 2018, with compound annual growth rate (CAGR) of 10%. Retailing both organized and unorganized contributes almost 10% of India's GDP, and employs almost 8% of India's employable population. (Research & Markets,

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2011). The last couple of years however have seen retailers reeling under recessionary pressures. While many retailers downed shutters, others stalled expansion plans or shut down non-viable stores. Although conditions began improving from the year 2010, retailers realized that they need strong consumer insights to survive in the long run.

AC Nielson,s Shoppers Trends study found that shoppers increasingly prefer to shop at supermarts and hypermarts for FMCG and groceries while fresh fruits and vegetables are still sought locally for freshness. With increased exposure to retail formats, consumers are becoming less flirtatious; this being evidenced by the store loyalty parameter which fell from 2.42 stores visited/ month in 2009 to 0.79 now. (Marketing Whitebook- 2011-12).

Sales promotions associated with manufactures earlier have now become a forte of retailers too. Future Group was the first to launch a number of promotions across its Big Bazaar stores. The promotion "Sabse saste 5 din

"debuted on January 26th 2007 at Big Bazaar outlets,became an instant success and was made a regular event. Frequency of the sales promotions was increased to include the week around Independence Day followed by "Public Holiday Sale" at all its Big Bazaar stores across the country from April 28 to May 1(Pawar,T.-2012). The "Sabse saste 5 din" in January (from 23-29 January), 2012, saw Future Group report national combined retail sales of Rs.650 crores, which was 25-30% higher than the previous year. Taking a cue from Future Group, all major retailers launched equally innovative sales promotion offers. The Independence Day week in 2012 saw retailers trying to outdo each other with price challenges, deep discounts and lucrative offers. Reliance Retail came out with the 10-day 'Price Challenge' at its Reliance Fresh, Super and Mart stores, Bharti's Easy Day went a step further with its 18-day 'Freedom from inflation' while Future Group retaliated with a 6 day "MahaBachat" sale at its Big Bazaar outlets (Kamath R., 2012). Nielson study has revealed that this definitive move towards sales promotions particularly from the year 2009 has been a major driver of store choice (Jacob S. & Bhushan R., 2012).

The mammoth size of all these retailers offering sales has ensured that they stand at par when it comes to offering the best in class promotions. Over the years sales promotion activities have grown in size and stature into repeated mega events. The sales promotion activity therefore has moved beyond being a short term 'tempting' offer into a strategic event focused at garnering consumer loyalty. To make matters worse these promotions are run simultaneously by all these retailers to ensure that their products are stockpiled by the consumer. Hence to differentiate their sales promotion events, retailers will have to look beyond mere price cuts and bargains to ensure consumer patronage. The present research focuses on the sales promotions offered by one of these organized retailers so as to identify the perception and satisfaction level of the consumers towards such promotions.

LITERATURE REVIEW
Background

Sales promotions, an integral component of the marketing mix, have been utilized to exert a strong impact on short term purchase behavior (Laroche et al., 2003). Studies have revealed that sales promotions significantly impact consumers (Gilbert and Jackaria, 2002; Pramataris et al, 2001; Fill, 2002 and Shump, 2003); their decision making process (Mela, Gupta & Lehman, 1997; Papatla & Krishnamurthi, 1996; Das and Kumar, 2009); increases the basket size (Ramanathan and Dhar, 2010) promotes aggregate sales of the promoted brand (Blattberg and Neslin, 1990), stock piling, increase in quantity purchased, product trial, spending more and purchase time acceleration (Gupta, 1988; Shi, Cheung & Prendergast, 2005).

Studies have also been conducted on factors affecting loyalty (Aaker, 1996; Lau et al., 2006, Garvin, 1988, Evans et al., 1996, Cadogen and Foster, 2000), characteristics of loyal customers as well as switchers (Grover & Srinivasan, 1992; Bloemer& Kasper, 1995), effect of frequency and amount of sales promotions on quantity purchased and brand choices (Meyer &Assuncao 1990) as well as price judgments (Alba et al. 1999). Research has revealed that irregular and less predictable promotion patterns diminish consumer's inclination to postpone purchases in order to obtain better deals (Krishna 1994). Impact of promotional patterns including the degree of regularity and predictability of the sales promotion has attracted less attention. Thus the present study attempts to explore the customer satisfaction and loyalty with sales promotions by modern retail trade in India which is now in the process of becoming a regular and predictable event in the consumer's purchase cycle.

Sales promotion cannot be looked at as a mere price incentive being offered to the consumer but has to be understood in terms of the more comprehensive models like the ACSI & ESCI. This is primarily because retailers are trying to cultivate loyalty to a sales promotion event and therefore it requires the assessment of customer expectations, perceived quality, perceived value, customer satisfaction, customer complaints and an understanding of how they impact each other.

ACSI, ECSI and Customer satisfaction

The importance of customer satisfaction for business success has been emphasized in the marketing literature consistently. Higher customer satisfaction leads to improved financial performance by reducing customer switching, improving loyalty, promoting positive word of mouth, reducing price sensitivity, and enhancing firm image and reputation (Garvin, 1988; Anderson, 1998; Kandanpully & Suhartanto, 2000; Homburg &Giering, 2001; Kim et al., 2004). Over the years numerous models have been proposed by researchers to examine customer satisfaction. Amongst them the most compelling model that investigates the linkages between antecedents & consequences of customer satisfaction is the ACSI i.e the American Customer Satisfaction Index and ECSI (European Customer Satisfaction Index) which is a national index used to measure customer satisfaction across industries. The present study adopts the ACSI model to investigate the antecedents and consequences of customer satisfaction in the context of sales promotions by organized retailers.

According to findings of Parasuraman et al., (1991) four factors impact customer expectations, word of mouth (or reputation), personal needs, past experience, and external communications. In the CSI model, the determinants of expectations are customer's pre purchase experience with the company/product/service along with a forecast of a company's ability to deliver quality (Fornell et al., 1996). Pre purchase experience includes past consumption experience, non-experiential information like advertising and word of mouth. Although different studies have proposed varied definitions of customer expectations, majority of literature has found that customer expectations directly impact perceived quality and thereby customer satisfaction (Bearden & Teel, 1983; Tse& Wilton, 1988; Fornell et al., 1996; Halstead et al., 1994). Perceived value is another construct of the CSI model that impacts customer satisfaction. Perceived value evaluates the product quality in relation to the price of the product (Fornell et al., 1996; Balaji, 2009). Thus the following hypotheses can be drawn:

H1: Customer expectations will positively affect perceived quality.

H2: Customer expectations will positively affect perceived value

H3: Customer expectations will positively affect overall customer satisfaction.

H4: Perceived quality will positively affect perceived value

Perceived quality and customer satisfaction

Most researchers lack agreement in defining customer satisfaction and quality of service. The CSI model views customer satisfaction as a function of customer's expectations, perceived quality and value. Oliver (1993) argued that customers must have experienced some quality in order to determine their satisfaction levels. Similarly many other studies have considered service quality as an antecedent of customer satisfaction (Anderson et al., 1994; Chiou et al.,2002; Cronin et al.,2000; Fornell, 1992; Fornell et al., 1996) Adopting most of these findings, this study takes quality of service to be a determinant of customer satisfaction. Therefore:

H5: Perceived quality will positively affect overall customer satisfaction.

Perceived Value and Customer Satisfaction

Perceived value is a unique construct in the CSI model and was defined by Fornell and his colleagues as one that represents the perceived

level of product quality relative to the price of the product (Fornell et al., 1996). Zeithaml (1988) recognized the relevance of perceived value but regarded it as a component of perceived quality. While Fornell et al. incorporated the perceived value to measure overall customer satisfaction. The existing literature makes it difficult to draw a clear distinction between the two constructs perceived quality and perceived value, for the purpose of this research we have taken perceived value as a distinct construct impacting overall customer satisfaction keeping in mind the primary appeal of a sales promotion i.e. value derived from price reductions. Thus,

H6: Perceived Value will positively affect overall customer satisfaction.

Customer satisfaction and customer loyalty

The outcomes of customer satisfaction have been examined by quite a few studies (Cronin et al., 2000; Szymanski et al., 2001). Understanding outcomes of customer satisfaction (Cronin et al., 2000), consumer loyalty (Bei& Chiao, 2001) and intention to continue business with a company (Burncham et al., 2003) are of central importance to marketers. Hence the study examines both possible outcomes customer complaints and customer loyalty. Reduced customer complaints will result in increased loyalty (Tax et al., 1998). The effective redressal of the complaint impacts customer loyalty positively. Thus,

H7: Overall customer satisfactions will negatively affect customer complaints.

H8: Overall customer satisfaction will positively affect customer loyalty.

H9: Customer complaint positively affects customer loyalty

Perceived value customer expectation and customer loyalty

The various characteristics of services are inherent in the retail store as well. To overcome this aspect the customer expectations (Ofir and Simonson, 2007) and judgment of perceived quality can impact customer loyalty directly as

well (Yieh, Chiao and Chiu, 2007; Sathish and Venkatesakumar, 2011). Thus

H10: Perceived quality positively impacts customer loyalty

H11: Customer expectations positively impact customer loyalty

H12: Overall the customers are satisfied with the sales promotion

METHODOLOGY

Primary research was conducted and data was gathered from respondents who visited the stores during the sales promotion. The questionnaire was finalized after a focus group discussion with eight store managers (four each from two different organizations) to understand the various constructs of customer expectation, perceived quality, perceived value, satisfaction, loyalty and complaint. The instrument was tested on 50 customers with prior experience of least two similar sales promotion events. In the final instrument perceived quality and customer satisfaction were measured using 19 specific constructs which included crowd management, billing time, employee response and knowledge, point of purchase display, returning policy etc. Perceived value was measured by three constructs, condition of the goods, expiry dates on goods and availability of bargains. Customer loyalty was measured on the basis of regularity in attending the sales promotions, recommendations made and waiting for sale. Customer complaints were measured on the basis of five constructs, availability and cooperation of employees, complaining behavior of customers, action taken on the complaint. To overcome the consumer's behavior of not complaining formally customers were asked to rank their opinion about the manageability of the crowd and handling of the same by the management. Customers were asked to rate each item on a ten point scale where 1 was taken as 'poor' and 10 was taken as excellent.

Data was collected from different retail stores of one of the major organized retailer running the sales promotion events in Delhi NCR during

the Republic day week of 2012. In total 159 respondents were interviewed and the questionnaires were personally administered to the customers who came to avail the offer. This was done to avoid the problem associated with including non-users in the survey (Szymanski

and Henard, 2001). The basic ACSI / ECSI model (as shown in Figure 1) was used to draw the hypotheses and perform the analysis. The dotted lines in the figure denote the proposed hypothesis which is not as per the ACSI/ECSI.

Figure 1: The basic model for CSI
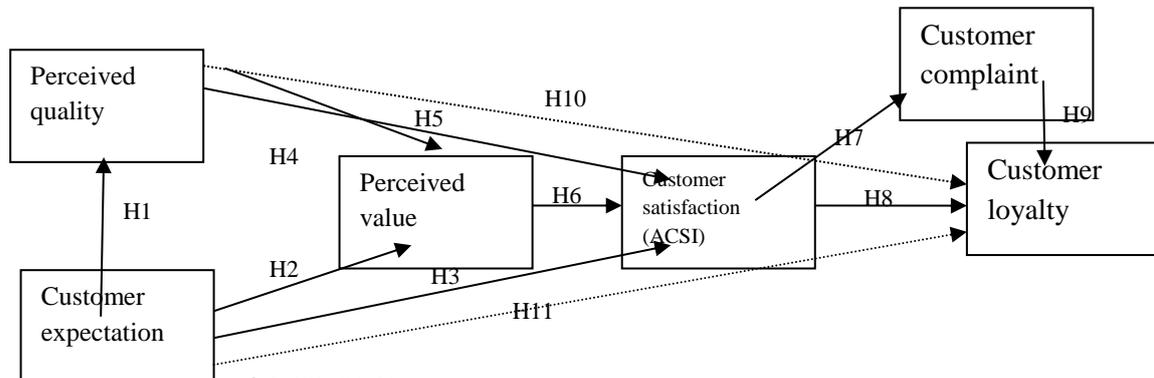
Source: ECSI, 1998 and ACSI, 2012

Data Analysis and Results:

The respondents for the study were all aware of the sales beforehand. It is interesting to note that 7% of the sample size consists of retailers or a 'kirana' store owners which is in line with similar observations regarding purchases made by kirana store owners during the sales promotion period by organized retailers like Big Bazaar and Reliance Retail (Malivya, 2012). Electronic goods were the most purchased goods followed by groceries, personal care items, furnishings, crockery and then utensils in the same order.

Underlying dimensions of CSI for Retail Sales Promotion

The values are calculated by Principal Component Analysis and multiple regressions. Regression analysis was done to find the relationships and R^2 was calculated (all calculations are significant at 95% level of confidence). When compared with the basic ECSI model it was seen that there is a slight difference as the perceived quality and customer expectation also directly affects the customer loyalty (see figure 2). According to the results perceived quality affects perceived value (R^2 is 0.94), customer satisfaction (R^2 is 0.62)

and customer loyalty (R^2 is 0.76) more than customer expectation affects perceived value (R^2 being 0.52), Customer satisfaction ($R^2 = 0.53$) and customer loyalty ($R^2 = 0.35$). The value of R^2 generally varies between 0 to 1 and the more closer it is to 1 the more perfect fit of the data on the regression line denoting that the model is close to reality and so except customer expectation's effect on loyalty all the other values are coming more than 0.50 and are therefore relevant.

Using Lisrel to calculate the impact factor it was studied that the direct impact of perceived quality on customer satisfaction is 0.32 and the indirect impact means that one point increase in the expectation index results in 0.35 x 0.42= 0.147 point increase in customer satisfaction index. A calculation of all the direct and indirect effects as per the ECSI (Kristensen, Martensen and Gronholdt, 2000) shows that a one point increase in perceived quality and customer expectation results in 0.467 and 0.439 increase (respectively) in the customer satisfaction index. The calculation for the direct and indirect effect on customer loyalty shows that quality has a greater impact on loyalty than expectation. A one point increase in quality

results in increasing the loyalty by 0.51 whereas a one point increase in expectation results in increasing the loyalty by 0.38.

The scores for the various components were calculated using the ACSI formula where the mean responses were converted into 0-100 scale for reporting purposes where 0 stands for poor and 100 stands for excellent. 'A component score is the weighted average of the individual attribute ratings given by each respondent to the questions presented in the survey. A score is a relative measure of performance for a component, as given for a particular set of respondents' (ACSI, 2006). The scores are given in the corresponding boxes in figure 2. It can be observed that the performance of customer satisfaction is the highest, followed by customer expectation, perceived value, customer loyalty, perceived quality and customer complaint.

Figure 2: The CSI model for Retail Sales Promotion by organized players:
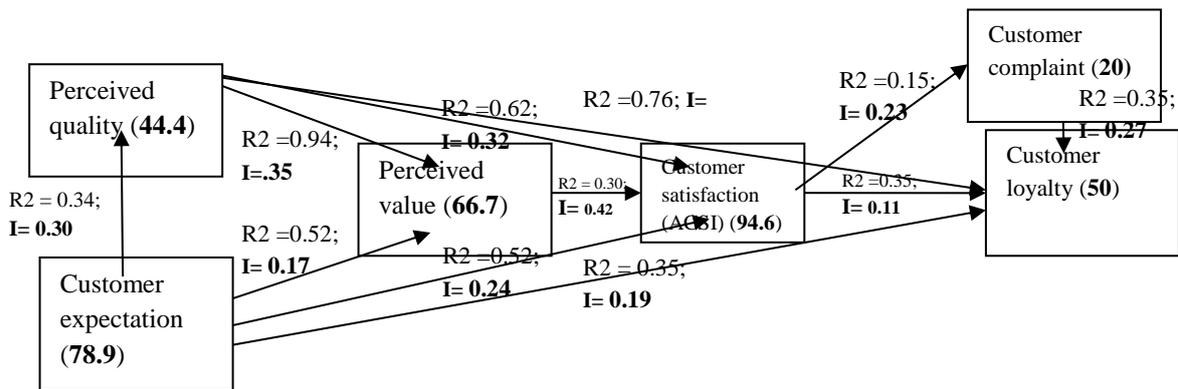
Thus it is perceived quality that impacts the customer loyalty the most followed by impact of perceived value customer satisfaction. The dominant model that emerges is that perceived quality and customer expectations impact perceived value and perceived quality impacts both customer satisfaction and loyalty.

To study multi-collinearity, correlation was carried out for the three factors. It was found that correlation is positive but the values are not very high or in excess of 0.8 (maximum for this calculation is 0.46) hence ruling out multicollinearity (Gujarati, 2004, pp 359). The correlation between the various constructs is given in table 1 below:

Table 1: Correlation coefficients between constructs

Constructs	Customer expectation	Perceived quality	Perceived value	Customer complaint	Customer loyalty	Customer satisfaction
Customer expectation	1					
Perceived quality	0.264378942	1				
Perceived value	0.149520672	0.351027965	1			
Cus. complaint	0.105047077	0.055981137	0.183702146	1		
Cus. loyalty	0.162089487	0.457471401	0.371270621	0.266418589	1	
Cus. satisfaction	0.227290079	0.32405844	0.420766098	0.22925679	0.401732	1

The positive values of R^2 and the positive coefficient values suggest that the various hypotheses studied (H1 – H11) are correct. The low value of R^2 for H1, H6, H7, H8, H9 H10 and H11 shows that the constructs of these variables do not account for (maximum) more than 46% of the aspect studied but still they account for some portion of the study. The study can therefore be extrapolated to study these aspects further.

Calculation of Customer Satisfaction Score
Customer satisfaction was studied on the basis of three constructs laid down by ACSI that is overall satisfaction with the sales, whether the sales met expectations and evaluation on basis of comparison to ideal. The mean values were transformed on a scale of 0-100and are given in table 4. The ACSI scores are calculated as weighted averages and the calculated weights (ACSI, 2005) for the customer satisfaction constructs and are shown in table 2 as follows:

Table 2: Values for Customer Satisfaction calculation as per ACSI

Constructs	Values out of 100	Weights
Overall satisfaction	92.03354	0.343816
Met expectations	96.08665	0.33543
Comparison to ideal	95.80712788	0.320755

ASCI score = ((92.034 x 0.344) + (96.09 x 0.335) + (95.81 x .321)) = 94.6
Based on this model the total customer satisfaction for the chosen retailer's sale comes out to be 94.6. The ACSI average for retail trade stands at 76.1(ACSI, 2012). Therefore the H12 is true and customers are overall satisfied with the sales promotion.

DISCUSSION AND CONCLUSION
Regression analysis shows that the overall model of ACSI fits in the case of sales promotion event in an organized retail. The customer satisfaction is influence by perceived value, perceived quality and customer expectation. Most consumers surveyed in this study patiently waited for these promotions to make bulk purchases. Contrary to normal belief that sales promotions when used in excess hamper brand image, retailers like Big Bazaar have used them to enhance consumer loyalty as well as improve brand image. The satisfaction from the sales promotion in this case comprises of satisfaction received from buying a product on sale and also numerous other concepts like perceived quality, perceived value, customer complaints, expectations and loyalty. The research thus uncovered that consumers come to the store to participate in a sales promotion for the bargains and at the same time have a whole set of expectations from the store in terms of quality of the products on sale, variety on sale, behavior of staff etc. The analysis of the findings has revealed that customers were highly satisfied by the sales promotions as reflected by a high ACSI score of 94.6. The customer expectation has a high ACSI score of 79 and when compared to the score for perceived quality (44) and perceived value (67) shows a higher expectation than the perception of quality and value. The retailers therefore need to either manage these high expectations by avoiding over promising through its communications or deliver on the promises and improve the perception of the customers. The high ACSI score for customer satisfaction can be attributed to the fact that the customer satisfaction was broadly measured using

constructs like overall satisfaction with the sales, whether the sales met expectations and evaluation on basis of comparison to ideal. The focus of the customers during the sales promotion offer was to get the benefit of price discounts offered which lead to the high satisfaction score.

In terms of customer loyalty the ACSI score was found to be 50, which is quite encouraging as sales promotions are associated less with loyalty. The score is indicative of the fact that the retailer has managed to develop some loyalty amongst its customers as most customers were either regular buyer or referred buyers of the retailer. The ACSI score for perceived quality was found to be 44.4. The constructs utilized in the study for measuring perceived quality addressed minute details of the consumer's experience during the sale. Hence the low score indicates that consumers are no longer evaluating the sale as a value gaining event alone but are also evaluating operational dynamics of the store that includes nature of products, brands on sale, behavior of staff, adequacy of the promotional messages, crowd management etc. Moreover the retailer needs to focus on perceived quality as a one point increase in the same will result in 0.47 point increase in customer satisfaction and 0.51 point increase in customer loyalty.

The ACSI score for consumer complaints was found to be pretty low at 20. This is in line with the hypothesis 7 that overall customer satisfaction will negatively affect customer complaints. However in our study we have mapped the respondents' willingness to complain, evaluation of the handling of customer complaints and customers discomfort during the sales. A low overall score highlights the fact that the customers were also giving low scores to the company as far as ease of complaining and appropriate redressal of the complaints were concerned. The unsatisfactory handling of the complaint has lead to the low score and retailer needs to effectively address the complaint procedure in its entirety.

Managerial Implications: The paper is specific to customer satisfaction with respect to sales promotion activities by organized players in India and is important as these sales promotion activities are predicted events at regular intervals of time. Extant literature shows studies conducted for sales promotion activities that are not regular events and their happening cannot be predicted by customers. The paper provides insights into the customer's satisfaction with these sales and the factors driving the loyalty towards the sales.

Sales promotions for retailers like Reliance, Big Bazaar etc. happen to be an almost year around activity through which it intends to draw in new customers as well as reward its loyal customers. The research sensitizes marketers to the fact that consumers are drawing satisfaction not only from the perceived value of the sale but also customer expectation and perceived quality. The consumer comes to the retail store with a set of expectations that extend beyond the type of promotions (buy one get one free, price off etc) on offer. During their stay in the store they are analyzing the nature of services provided by the retailer, the store ambience, management of the entire promotion (chaos at the store etc), POP displays, effectiveness of announcements, behavior of the staff, complaint handling etc. On the one hand they are deriving satisfaction from the sales due to expectations, perceived quality and value for money derived from the sales. However on the other hand there is a marked gap between the customer expectations and perceptions. Hence it is mandatory for retailers not only to provide the right type of promotions but also ensure operational efficiency of the promotion that will lead to customer satisfaction and hence customer loyalty. Specific managerial implications based on the research are as follows:

Enhancing loyalty to Sales Promotion: The ACSI score for loyalty is indicative of the fact that the regularity of the sales promotions drive by the said retailer has managed to develop loyalty

amongst the consumers. The low score is also indicative of the possibility of increasing sales promotion (retailer based) loyalty in the future by concerted efforts to make the promotion drive a regular feature as well as a comfortable encouraging experience for the consumers.

Managing Perceived Quality: Over the years as the retail sector has become more crowded by entry of new players, promotions have grown in number and duration. To make matters more competitive the promotions are scheduled simultaneously. As a result it is no longer possible to gain consumer's loyalty or consumer satisfaction by merely providing lucrative deals. Retailers have to seek efficiencies in managing the complete store experience during the promotion drive for the consumer which involves trolley management, faster cashier lanes, effective communication, availability of promoted brands, dealing with expired and damaged goods, favorable return policy and appropriate employee behavior. A focus on the perceived quality is also necessitated by the fact that an increase in the perception impacts customer satisfaction and loyalty.

Inviting & Addressing Consumer Complaints: Although complaints by consumers were found to be pretty low during the sales drive, the retailer has to be cautious and has to develop an appropriate channel to invite and address consumer complaints as consumer disgruntment as well as unresolved complaints can lead to negative WOM which can hamper consumer satisfaction and loyalty in the long run.

Limitation and Future Research Direction

This study is specific to the sales promotion activity of organized retailers in Delhi and NCR. It thus cannot be generalized for the organized retail scenario in general or for the entire retail scenario (organized as well as unorganized) in India. Organized retail accounts for a small pie of the entire retail industry in India. Thus the organized retail scenario offers numerous opportunities for organized players both national and international keeping in mind the opening up of the FDI rules governing the same. Research can be thus be conducted to study the overall customer satisfaction drivers for organized and/or unorganized retail during normal days as well, which can give rich insights into the culturally diverse consumer base in India.

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IMPACT OF RISK FACTORS RELATED TO INTERNET BANKING WITH SPECIAL REFERENCE TO NATIONAL CAPITAL REGION

Shamsul Haq, Pawan Kumar & Bilal Mustafa Khan

Abstract

As the used of Internet Banking is increasing the cost of operation minimizing, various electronic delivery channels are increasingly used for delivering products and services at the convenience of customers at low cost. Internet Banking is easing the life of clients of banks. The objectives of this paper to know the factors which are influencing the used of internet banking as well as analyzing the various risk dimension associated with internet banking.

To find out the impact of all these variables a structured questionnaire has been prepared a through a systematic survey which was conducted at the NCR. The number of respondents were 300 belongs to heterogeneous population .The Chi-Square test,t-test and Exploratory Factor Analysis (EFA) were used to interpret the hypothesis the result illustrates population vital statistics impel the adoption of online banking and also financial and social risk, security and time risk, and performance risk contribute to the risk perceptions of banking customers.

INTRODUCTION

The acceleration in technology has produced an extraordinary effect upon our economy in general has had a particularly produced profound impact an expanding the scope and utility of financial products over the last ten years .Information technology has made possible the creation ,valuation, and exchange of complex financial products on a global basis and even that just in recent years .Derivatives are obviously the most evident of many products that technology has inspired ,but the substantial increase in our calculation has permitted a variety of other products and most beneficially ,new ways to unbounded risk.

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LITERATURE REVIEW

The review of literature reveals that adoption, perception and usage of internet banking extremely heavily examined by the researchers. Joshua (2009) found that the level of awareness about Internet banking in the state of Karnataka in India was 78% among users and 31% among non-users. Internet banking is a widely adopted electronic banking service next to ATM**.** Singh (2004) found that a majority of Internet banking users in South Africa used Internet banking for inter-account transfers and checking balances/statements. Payment of bills, checking of account balances, printing statements, funds transfer and ordering check books are by far the most popularly used Internet banking services in Zimbabwe. Sournata,Mattila and Munnukka (2005), Al-Sabbagh and Molla (2004)- all explore the various inhibitors and drivers of electronic-banking adoption. They believe there are relatively few empirical analyses of the impact of electronic banking on customers. As cyber

banking is a relatively new concept in context of delivery of banking services online, not so many studies are available in Indian context. Most of the studies that the authors have gone through are not in the Indian context.

Ahmed and Saima (2008) stated that chances of fraud and lack of information security are the vital risks associated with electronic banking in Pakistan. Ming (2009) studied the risk factors in detail and identified that security risk, financial risk, performance risk, and time/convenience risk have negatively affected the intention to adopt online banking in Taiwan. . Almahmeed *et al.* (2008) conducted a research on all Kuwaiti and non-Kuwaiti banks. It was found that the awareness of Internet banking proved to be relatively high among business firms. The most frequently used services by the customers were: reviewing the account balance, obtaining detailed transaction histories, obtaining information about deposits, loan interest rates, transfer funds between company's own accounts, transfer funds to other accounts within Kuwait, transfer funds to other accounts outside Kuwait and issuing standing orders. Maiyaki and Mokhtas (2010) shown in their research that there is no relation in between population statistics and choice of banks. It was also found that statistically there is a significant relationship between age and choice of banks.

Khurana (2009) studied the perception of Internet banking users through the relationship between population statistics of users along with the five independent variables, , responsiveness, reliability, efficiency, security of information and ease of use. It depicts there was no significant relation in between age, occupation sex on the use of number of banks operate by clients. It also explain age has convincing   influence on the operational efficiency of clients. As regards reliability, customers had no trust in websites

Maiyaki and Mokhtas (2010) shown in their research that there is no relation in between population statistics and choice of banks. It was also found that statistically there is a significant

relationship between age and choice of banks. Selvam and Nanjappa (2011), in their study, examined customers' awareness and satisfaction about e-banking of ICICI bank on the basis of vital statistics of the E-banking users. It depicted that college students are more awareness level compare to other education groups. The study revealed that awareness level of income group above 10,000 per month was high as compared to other income groups.It was shown that it also depend on the size of family. Sex is the crucial issues for the acceptance of internet banking.

Ahmed and Saima (2008) stated that chances of fraud and lack of information security are the vital risks associated with electronic banking in Pakistan. Ming (2009) studied the risk factors in detail and identified that security risk, financial risk, performance risk, and time/convenience risk have negatively affected the intention to adopt online banking in Taiwan.

Shergill and Li's (2005)depicted that women are more serious regarding the security issues compare to their male counterpar.Survey by Chung and Paynter (2002)privacy and security issues are crucial for the adoption of cyber banking. Perceived risk like theft of private information was concerning issues regarding the adoption of online banking .

Research Objectives

This study was conducted to know the impact of demographic parameters

- To identify the challenges those affect the customers to use internet banking.
- To identify the challenges those affect the banks to launch internet banking services.
- To identify the main and general challenges that affecting the internet banking.
- To identify the factors influences consumers to use internet banking.
- To measure the relationship between factors (consumer demographic factors, Internet banking attributes, social

influences) and the acceptance of internet banking.

- To examine the factors those discourage customers from using internet Banking
- To understand the influence of demographic variables on various dimensions of risk in the usage of Internet banking.

Hypothesis:

- H1:There is no relationship of population statistics on the endorsement of e-banking.
- H2:There is any difference between users and non-users with regard to their perception of social forces.
- H3: There is a difference between user and non users with regard to their perception of internet banking.
- H4: Customers' perceptions of various risk dimensions in the usage of Internet banking are independent of demographic factors.

RESEARCH METHODOLOGY

The different parameters related to respondents like age, sex, Income and occupation taken through the structured questionnaire and cross tabulation is given below.It is depicted the respondents complete profile who were using banking service in NCR region. To evaluate data collected and interpret it SPSS and Microsoft Excel was used. This study has been conducted to know the influence of demographic factors in the adoption of E-banking.

Exploratory Factor Analysis (EFA) is employed for validating the constructs used in the study. The significance of variation in constructs across demographic variables is analyzed by using an appropriate test statistic.

Sample Size:

50 questionnaires have to response from four commercial centers (The ANSAL PLAZA, PACIFIC MALL, EDM MALL and GREAT INDIA PALACE) would be interviewed therefore 200 respondents from the commercial centers the 100 respondents who are professionals like Faculties and Parma companies therefore total number of 300 respondents responded the questionnaires.

Demographic Profiles of Respondents:

Analysis has been done through the demographic profile of the users of cyber banking than different statistical tools are used like Chi-square test.

Table 1.1 Gender Profile of respondents

Respondents Profile						
	Male		Female		Total	
General Respondents	168	56%	132	44%	300	100%
Internet Users	72	60%	48	40%	120	100%
Internet Non-users	96	53%	84	47%	180	100%

Table 1.2 Age of Respondents .

AGE Group (table 6.2)					
General Respondents		Internet users		Internet Non-users	
124	41%	38	32%	86	48%
95	32%	62	52%	33	18%
51	17%	15	13%	36	20%
30	10%	5	4%	25	14%
300	100%	120	100%	180	100%

Table 1.3 Education level of respondents

Education level (table 6.3)					
	General Respondents		Internet users		Internet Non-users
Postgraduate	164	55%	104	87%	60	33%
undergraduate	82	27%	11	9%	71	39%
Highschool	46	15%	1	1%	45	25%
Other	8	3%	4	3%	4	2%
Total	300	100%	120	100%	180	100%

Table 1.4 Income of respondents

	General Respondent		Internal users		Internet Non-users	
Less than `25000	58	19%	2	2%	56	31%
`25000-`34000	54	18%	4	3%	50	28%
`35000-`44000	50	17%	16	13%	34	19%
`45,000-`54000	52	17%	32	27%	20	11%
`55,000-`99999	51	17%	44	37%	7	4%
`100,000-199,999	18	6%	18	15%	0	0%
`200,000-299,999	0	0%	0	0%	0	0%
over `300,000	0	0%	0	0%	0	0%
other	17	6%	4	3%	13	7%
Total	300	100%	120	100%	180	100%

Table 1.5 Age users &non users Cross-tabulation

Count

		users &non users		Total
		users	non-users	
Age	20-29	38	86	124
	30-39	62	33	95
	40-49	15	36	51

Above 50	5	25	30
Total	120	180	300

Table 1.6 -Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	38.973[a]	3	.000
Likelihood Ratio	39.454	3	.000
Linear-by-Linear Association	.858	1	.354
N of Valid Cases	300		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 12.00.

The p of 0.000 which is less than 0.05 Table (1.6) reflected that chi-square test is significant and shown that there is a relationship between the age and the adoption of internet banking.

Table1.7-EDUCATION * users and non-users Cross-tabulation

Count

		USERAND NON USER		Total
		USER	NON-USER	
Education	PG	104	60	164
	Graduate	11	71	82
	High school	1	45	46
	OTHER	4	4	8
Total		120	180	300

Table 1.8-Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	89.369[a]	3	.000
Likelihood Ratio	103.032	3	.000
Linear-by-Linear Association	58.843	1	.000
N of Valid Cases	300		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 3.20.

The Chi-square is significant (p=0.000)(Table-1.8) indicating that there is a significant relationship between education level and the adoption of internet banking .

Table 1.9-Income of users and non-users cross-tabulation

Income			Internet Banking		Total
			Yes	No	
	Less than 14000		2	56	58
	14000 to 24999		4	50	54
	25000 to 34999		16	34	50
	35000 to 49999		32	20	52
	50000 to 99999		44	7	51
	100000 to199999		18	0	18
	Percent		15%	0%	6%
	200000 to299999		0	0	0
	over 300000		0	0	0
	other		4	13	17
Total			120	180	300
Percent			100	100%	100

Table-2.0-Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	141.998[a]	6	.000
Likelihood Ratio	166.565	6	.000
Linear-by-Linear Association	59.622	1	.000
N of Valid Cases	300		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.80.

The Chi-square is significant (p=0.000)(table 2.0) indicating there is a significant relationship between the income and adoption of internet banking

Table -2.1-OCCUPATION * USERS&NON Cross-tabulation

Count

		USERS&NON		Total
		USER	NON-USERS	
OCCUPATION	Employed	92	93	185
	Un-Employed	0	38	38
	Pensioners	2	5	7
	Self-employed	24	34	58
	OTHER	2	10	12
Total		120	180	300

Table 2.2-Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.780[a]	4	.000
Likelihood Ratio	49.486	4	.000
Linear-by-Linear Association	5.137	1	.023
N of Valid Cases	300		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 2.80.

Table 2.2 establishes that there is a significant interconnection between occupation and the adoption of internet banking.

Table 3.0(t-test) This sections tests the hypothesis that there is a significant difference between users and non-users with regard to their perception of relative advantage of internet banking.
Most attitudinal factors including factors including relative advantage, compatibility, complexity, perceived risk and perceived cost are found to be significant, however complexity, perceived risk and perceived cost present a negative relationship .Social influences did not result in any significant differences between users and non-users

Table 3.0

Group Statistics

internet users		N	Mean	Std. Deviation	Std. Error Mean
work Style	users	120	4.6250	.67441	.06157
	Non-users	180	2.6944	.89128	.06643
life convenient	users	120	4.1083	.60524	.05525
	Non-users	180	2.6222	.95224	.07098
program is easy	users	120	3.5167	1.02066	.09317
	Non-users	180	2.7944	.89503	.06671
Internet banking is complex	users	120	2.2917	.92032	.08401
	Non-users	180	3.5222	.89352	.06660
Process is Simple	users	120	3.8083	.89156	.08139
	Non-users	180	2.5778	.77644	.05787
Time saving	users	120	4.1333	.67280	.06142
	Non-users	180	3.2833	1.14957	.08568
comfortable with bank	users	120	4.0167	.69794	.06371
	Non-users	180	2.9278	.99176	.07392

Telecommunication cost	users	120	2.0083	.96577	.08816
	Non-users	180	4.0722	.60750	.04528
fees are expensive	users	120	2.8167	.79898	.07294
	Non-users	180	4.0667	.72157	.05378

Reliability and Validity

Reliability is determined by the Cronbach's coefficient alpha ( ). Nunnaly (1978) suggested that for any research at its early stage, a reliable score or alpha that is 0.60 or above is sufficient. As shown in Table 4, all the construct reliabilities surpassed the required minimum. EFA is applied on the data collected from 300 respondents to reduce the variables to a few factors for further analysis. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (KMO = 0.735) is greater than the rule of thumb 0.50 and Bartlett's test of sphericity is significant, which means that the items included in the scale do have a correlation with each other. Thus, factor analysis is found to be an appropriate technique for construct validity. The variables which had loadings of less than 0.50 were excluded, and dimensions with eigen values of more than 1 were retained. Table 4 exhibits the Rotated Factor Loadings (RFL), percentage of Variance Explained (VE) by each factor and Cronbah's Alpha (CA). It is observed that all the items have high factor loadings and therefore all items are accepted and the construct validity of the instrument is established

<u>**Factor 1**</u>

It is the most vital factor that contributes to the risk perceptions of Internet banking users which explains 43.21% of the variation. Five items are loaded on this factor. This factor consists of items associated with financial risk and social risk as characterized by Featherman and Pavolu (2003), and therefore this factor is labeled as 'financial and social risk.

Factor 2

Four items are loaded on this factor which explains 13.26% of the variation. This factor consists of items associated with security risk and time risk (Featherman and Pavolu, 2003), and therefore this factor is labeled as 'security and time risk.

Factor 3

Two items are loaded on this factor which explains 11.96% of the variation. This factor consists of items associated with performance risk (Featherman and Pavolu, 2003), and therefore this factor is labeled as 'performance risk.

Table 4.0 :Customer Risk Perception of Usage of Internet Banking at National Capital region

Factor/variable	RFL	VE(%)	CA
Factor 1	0.832		
I am afraid that I will lose money through Internet banking	0.759		
I worry that I will not get compensation if an error occurs	0.763		
My friend ,relatives and colleagues would think less of me if something wrong with my internet banking account	0.753	43.21	0.775
if fraud or hacking occurs to my Internet banking it will effect my status	0.865		
If an error occurs, I will have to waste a lot of time to correct it.	0.663		
Factor 2			
It would take a lot of time to learn how to use Internet banking	0.725		
I feel unsafe to provide personal information over Internet banking	0.659	13.26	0.765
I worry that other people may access my Internet banking account	0.865		
I would not feel secure sending sensitive information over Internet banking.	0.771		
Factor 3			
Internet banking servers may not perform well due to low speed.	0.863	13.21	0.125
Internet banking servers may process payments incorrectly	0.654		

Note: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 5 iterations.

FINDINGS AND CONCLUSION

.Most of the users are middle-aged (i.e between (31-39) have monthly income in excess `25000 are educated to Post Graduate level and belongs to working class. Research depicted that only 28 percent banking clients were using internet banking after evaluating the population characteristics it was no significant relationship in between age and use of cyber banking (the significance level is 0,005 in the chi-square tests). It also depicted that there is no relation in between gender and the adoption of internet banking (the significance level is 0,000 so we assume null hypothesis). There is a gender neutrality in the adoption of e-banking. Qualification in terms of education and income of respondents were playing the role in the acceptance of online banking. (At the Significance level of the chi-square test is 0, so we reject null hypothesis).

This research depicted that users of internet banking are increasing as their income and education standard is improving number of users depending upon the education standard of internet banking users with income.

Therefore it is the need of time financial literacy of the users should be increased through various programs could be run by the banks to increase the awareness of internet banking. There is still a lot needed for the banking system to make reforms and train their customers for using internet for their banking

account. Going through the survey main problem lies that still customers have a fear of hacking of accounts and thus do not go for internet banking. Banks are trying their level best by providing the best security options to

the customers but there are a lot of factors which betrays a customer from opening an internet bank account

By that way banks could be able to reduce the rush at the branches and operating cost also therefore .Banks are now spending heavily on information technology front but from the side of the government there is requirement to invest on the infrastructure like electricity and internet.

The present study considered prominent risk variables affecting adoption of Internet banking, and EFA segmented these variables into three dimensions which are labeled as financial and social risk, security and time risk, and performance risk. A cross- analysis of these factors across different demographic variables revealed that females perceive more risk than males in the case of financial and social risk.

Old customers perceive more security and time risk than the young. Businessmen perceive more financial and social risk than employees. Undergraduates perceive more financial and social risk than postgraduates. Respondents with basic level of computer knowledge perceive more security and time risk than respondents with advanced level of computer knowledge. Therefore, it is concluded that variables relating to different dimensions of risk are different, to a certain extent, to different categories of customers.

It is useful from the view of clients as well as the banks therefore in the coming years E-banking reshape the traditional banking.

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SURVIVING OR THRIVING? AN EXPLORATORY STUDY INTO COMPETING FOR THE SOUTH AFRICAN SUPERMARKET SHOPPER

Justin Beneke

Abstract

The supermarket sector is a major component of the retail industry in South Africa. Yet, these particular retail stores largely exist in a 'sea of sameness' where only subtle characteristics differentiate them from each other. This paper aims to investigate the means through which such chains can achieve competitive advantage through the creation of customer commitment. Whilst structural bonds might create the impression that customers are loyal, commitment goes beyond behavioural loyalty and is argued to be a better indicator of the customer's propensity to patronise the retailer into the foreseeable future. Through consideration of the retail mix, this study determines that low prices, in-store promotions and facilities do not necessarily lead to customer commitment, whereas superior customer service and quality and variety of store merchandise are considerably more influential in this respect. However, on the whole, customer commitment in the supermarket sector remains somewhat poor and needs to be further entrenched.

Keywords: *behaviour, commitment, satisfaction, structural bonds, supermarkets, retail mix*

INTRODUCTION

There is little doubt that supermarket retailing is a competitive business (Levy & Weitz 2011:187). Retailers need to face the realities of today's market – changing demographics, increasingly sophisticated competitors and overcapacity of the industry (Beneke 2010:203; Cant & Machado 2009:84; Kotler 2003:19). Managing customer commitment is more important than ever to ensure not only that sales are bolstered, but also to build continuous patrongage and, ultimately, maximise customer lifetime value (Stauss, Chojnacki, Decker & Hoffmann 2001:7; Thomas 2001:262; Rowley 2005:574). Committed customers have an emotional connection with the retailer. Their reasons for continuing to patronise the retailer extend beyond the convenience of the retailer's store and/or the low prices and specific brands on offer. In fact, many feel such goodwill towards the retailer that they actively encourage friends and family to buy from it (Geyskens, Steenkamp, Scheer & Kumar 1996:303; Heskett 2002:355; Kessim & Abdulla 2006: 424; Morgan & Hunt 1994:20). Thus, an effective relationship marketing strategy for managing commitment and loyalty with customers is essential in retaining valuable customers and subsequently developing a sustainable competitive advantage (Liljander & Roos 2002: 593).

Kotler and Armstrong (2010:32) define a supermarket as a large, low-cost, low-margin, high-volume store that carries a wide variety of food, laundry, and household products. The

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South African supermarket industry includes major supermarkets such as the Pick n Pay, Shoprite, SPAR and Woolworths groups, as well as some lesser known brands which are mainly situated in smaller towns (FastMoving 2013:Internet). The retail mix, comprising the various elements of the retailing function, is utilised by these stores to entice customers and influence their purchasing behaviour. Elements in the retail mix include merchandise assortments, location, pricing, customer service, store design and display, and the communication mix of the retailer (Levy & Weitz 2011:189). Retailers are thus faced with the challlenge of developing a retail mix that effectively satisfies its target market and drives customer commitment.

RESEARCH STATEMENT

This study aims to investigate the antecedents of customer behaviour and commitment in the South African supermarket industry. Whilst some customers might be behaviourally loyal, they may not necessarily possess true commitment. This may mean they are vulnerable to defection in due course. By identifying and examining the significance of these underlying drivers, supermarket chains can refine their strategy to play to their strengths and minimise their weaknesses. The status quo of the industry will thus be probed so as to determine general customer satisfaction levels and the perceived importance of retail mix attributes.

LITERATURE REVIEW

The relationships between satisfaction, loyalty and commitment

Customer loyalty has become an increasingly important aspect of marketing in the 21st century (Beneke 2010:203; Duffy 2005:284). Baker and Bass (2003:72) attributes this trend to the rise of relationship marketing. Slow growth rates in mature markets have resulted in the pool of new prospects being diminished,

steering marketing attention toward retaining and growing existing customer relationships. Consequently, 'customer loyalty' achieved priority.

Customer loyalty is described as a deeply held commitment to re-buy or re-patronise a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour (Knox 1998:729; Oliver 1999:33; Passikoff 2006:14). Bowen and Chen (2001:213) assert that customer loyalty is difficult to define and in general there are three distinctive approaches to measure loyalty: behavioural measures, attitudinal measures and composite measures.

The behavioural measurements consider consistent, repetitious purchase behaviour as an indicator of loyalty (Bowen & Chen 2001:214), thus making a major assumption that this repeat purchasing could capture the loyalty of a consumer towards the supplier of interest (Bandyopadhyay & Martell 2007:35). Oliver (1999:33) suggests that customer satisfaction developed by way of product usage is a necessary step in loyalty formation, however it becomes less significant as loyalty begins to set through other mechanisms such as individual fortitude (i.e. the degree to which the consumer resists competitive pressure to switch over to another brand) and social bonding (i.e. the degree to which the community or the society supports the consumer to remain loyal). Attitudinal measurements consider the emotional and psychological attachment inherent in loyalty. The attitudinal measurements are concerned with the actual sense of loyalty, engagement and allegiance (Bowen & Chen 2001:213). According to this definition, loyalty is the biased (i.e. non-random) behavioural response (i.e. purchase), expressed over time by some decision making unit, with respect to one or more alternative suppliers out of a set of such suppliers, and is a

function of psychological (decision making and evaluative) processes (Jacoby & Kyner 1973:1). Jacoby and Kyner (1973:2) express that it is the evaluation process that makes an individual develop a commitment towards a supplier.

The attitudinal and behavioural approaches, however, examine loyalty unidimensionally. In contrast, composite measurements of loyalty combine the attitudinal and behavioural dimensions and measure loyalty by variables such as customers' product preferences, propensity of brand-switching, frequency of purchase, recency of purchase and total amount of purchase (Hunter 1998:18; Pritchard & Howard 1997:2; Wong, Dean & White 1999:53).

A reputable example of the analysis of loyalty using composite measurements is that proposed by Dick and Basu (1994:99) who argue that loyalty is determined by the strength of the relationship between relative attitude and repeat patronage and thus has both attitudinal and behavioural elements. Dick and Basu's (1994, cited by Garland & Gendall 2004:81) customer loyalty model is an elegant conceptualisation of attitude and behaviour (Garland & Gendall 2004:81). They suggest that loyalty is the result of the interaction between a customer's relative attitude to a brand, or store, and their repeat purchase behaviour. The typology divides customers in to four loyalty groups (Dick & Basu 1994:99), depicted in table 1:

1. True loyals are customers with high attitudinal and behavioural loyalty.
2. Spurious loyals are those with high behavioural loyalty but low attitudinal loyalty.
3. Latent loyals are those with high attitudinal loyalty but low behavioural loyalty.
4. Non loyals are those with low attitudinal and behavioural loyalty.

TABLE 1: DICK AND BASU'S LOYALTY MODEL

		Repeat Patronage	
		High	Low
Relative	High	True loyalty	Latent loyalty
Attitude	Low	Spurious loyalty	No loyalty

Source: Dick and Basu 1994 cited in Garland and Gendall 2004: 82

Customer loyalty appears to be one of the most discussed and contentious marketing concepts of recent years (Through the Loop Consulting 2002:Internet). Much of this debate and ambiguity stems from the relationship between customer loyalty and satisfaction. Customer satisfaction is

defined as the state in which customer needs, wants and expectations through the products or services' life are met or exceeded resulting in repurchase, brand loyalty, and willingness to recommend (Nicolson, Kemp & Linnell 1996:6). Oliver (1999:33) argues that the two concepts are

distinct. Satisfaction is a fairly temporal post usage state for one-time consumption or a repeatedly experienced state for ongoing consumption that reflects how the product or service has fulfilled its purpose. Loyalty on the other hand is an attained state of enduring preference to the point of determined defence. However, he contends that satisfaction is an essential ingredient for the emergence of loyalty. The ability to convert satisfied customers into loyal customers is the pivot of long-term success (Gitomer 1998:7).

It would appear that high customer satisfaction does not always correlate with repeat purchases and therefore with healthy profits (Yudkin 1999:22). Dissatisfied customers don't always defect and satisfied customers sometimes do. Thus satisfaction alone cannot

predict future behaviour and customers may even remain behaviourally loyal and not even be happy with the product or service.

Such behaviour has diminished the validity of examining loyalty from only a behavioural perspective. Bandyopadhyay and Martell (2007:2) assert that the existence of situational factors (such as stock-out and non-availability), intrinsic factors (such as individual fortitude) or socio-cultural factors (such as social bonding), that can differentiate between repeat purchase and loyalty, have prompted recent works that have called for understanding and operationalising brand loyalty beyond behavioural measures. Consequently advocates of attitudinal loyalty have emphasised the importance of the concept of customer commitment.

Customer commitment has sought to unravel the confusion between satisfaction and loyalty. As such, commitment involves the desire or intention to maintain a valued relationship into the future (De Wulf, Odekerken-Schröder & Iacobucci, 2001:33; Gundlach, Achrol and Mentzer 1995:78; Liljander and Leverin 2006:232). Commitment is psychological rather than behavioural and thus examines loyalty from an attitudinal perspective. Hofmeyr and Rice (2003:55) contend that marketers cannot deduce what consumers feel by observing their behaviour. Somebody who appears loyal could, in fact, be completely uncommitted, and switch brands at the next purchasing occasion. But what customers feel dictates the way in which the relationship between the customer and the brand should be managed. Commitment is arguably synonymous with attitudinal loyalty and thus these terms are often used interchangeably.

Commitment is built gradually during the development of a relationship, and parties can be committed for different reasons. Venetis and Ghauri (2004:1577) identify three general antecedents to commitment: relational bonds that are created between parties during the course of the relationship, the trust that has been established between the partners, and the service quality.

Relational bonds can be structural or social in nature. Structural bonds are the in a relationship that, if terminated will result in considerable economical or financial costs for the parties (Venetis & Ghauri 2004:1577). Turnbull and Wilson (1989:233) assert that the creation of a structural bond happens when the two parties make investments that cannot be retrieved when the relationship ends, or when it is difficult to end the relationship due to the complexity and cost of changing suppliers. The more investments are made in a relationship, the more difficult its disengagement becomes and the more a party will be committed to continue the relationship regardless of their satisfaction with the supplier. An example of such would be if the consumer is unable to switch suppliers because the alternatives require excessive travelling and as a result a cost could be involved in transportation which the consumer may not be able to afford.

The social bonds are the interpersonal relationships between the buyer and seller (Turnbull & Wilson 1989:233, Bendapudi & Leone 2002:3), which are the glue that holds the individuals together (Venetis & Ghauri 2004:1577). Wilson (1995, cited by Venetis & Ghauri 2004) found that buyers who have a strong personal relationship with the sellers are more committed to maintaining the relationship.

The level of service quality is directly correlated with the satisfaction the customer receives from the supplier's offering. Satisfaction is considered an important but not a necessary condition for a party to be committed to the relationship. Genesan (1994:1) found that satisfaction is directly and significantly related to a party's relationship commitment, whereas Morgan and Hunt (1994:20) found that it did not contribute significantly to a party's commitment in comparison with structural ties, trust and share values. Thus, although satisfaction is positively related to a party's

relationship committed, its relative contribution, compared to the other antecedents, may be very small or insignificant (Venetis & Ghauri 2004:1577).

Venetis and Ghauri (2004:1577) contend that only if the partner is considered trustworthy will a party be willing to invest in and become committed to the relationship, thus trust is needed for a relationship to develop. Trust has been defined as a consumer's belief that another party will perform actions that will lead to positive outcomes for the firm, as well as not take unexpected actions that can lead to negative outcomes (Anderson & Narus 1990, cited by Venetis & Ghauri 2004). It reduces perceived uncertainties and risk and is considered a key variable for relationship success (Boersma, Buckley & Ghauri 2003: 1031; Morgan & Hunt 1994:20; Kemp & Ghauri 1998:6).

Retailers alas have limited direct control over the relational bonds, trust and satisfaction of their customers. However, the retail mix provides a set of tools which can be utilised when developing a marketing strategy for targeting customer commitment and loyalty variables.

Utilising the Retail Mix to influence Customer Behaviour

The retail mix is used by retailers to ensure their customers' needs are met. Elements in the retail mix include merchandise assortments, location, pricing, customer service, store design and display, and the communication mix of the retailer (Levy & Weitz 2011:189). The dilemma faced by marketers is to develop a retail mix that creates customer satisfaction, as well as building customer commitment and loyalty. These aspects are explored below.

Merchandise Assortments

Merchandise assortments are optimised by retailers to ensure that the stock on shelf matches customer demand. Customers should therefore have an adequate selection of merchandise to choose from, thereby facilitating the ability to select the merchandise which bests suits their needs and provides them with satisfaction (Curhan 1972:406).

Private label brands, also known as store brands, are another variation of merchandise assortment which retailers employ as an instrument for generating store differentiation, store loyalty and store profitability (Corstjens & Lal 2000:281, Mullick-Kanwar 2013:Internet). Private label brands typically have lower variable costs and thus higher margins (Hoch & Banerjee 1993:57). Furthermore, these brands enable retailers to get better deals from manufacturers in the form of lower wholesale prices on national brands (Corstjens & Lal 2000: 281).

It is essential for retailers to supply high quality merchandise and not just focus on offering inexpensive low-quality products. In other words, failing to provide the right combination of high quality and low prices may result in a merchandise assortment that is unsuccessful in creating satisfaction amongst customers (Stambaugh 1993:69).

CustomerService

Customer service, with its final effect on repurchasing by customers, is considered one of the most important constructs of the retail mix (Caruana 2002:811). Research points to the fact that effective customer service satisfies customers and in turn increases loyalty. Lewis and Booms (1983, cited by Caruana 2002) assert that customer service is all about what customers expect and the perceptions of how these services are actually performed.

Customer service tactics are highly effectively in building commitment and loyalty. It is widely acknowledged that customers like to feel appreciated. The most effective channel at achieving this in retail is by developing favourable relationships between employees and customers. The first few words between the employee and the customer set the tone for the entire dialog and possibly even the entire relationship. Thus, Gitomer (1998:8) asserts that the single most important brick in the

foundation of customer service is "friendly". A friendly foundation is further complemented by a positive attitude which represents the best possibility of creating a positive customer perception of the entire company. Bad Service experiences often drive a wedge between a customer and a supplier (Duffy 2003:480).

Retailers may provide unusually high-quality customer service to build and maintain the commitment and loyalty of their best customers (Levy and Weitz 2011:190). Heskett, Jones, Loveman, Sasser & Schlesinger (1994:164) suggest that customer service will lead to increases in firm profitability and market value through the service-profit chain. This model proposes that customer service creates positive consumer cognitions and behaviours such as satisfaction and loyalty; that create financial benefits for the firm (Wiles 2007:19). Customer service, by providing additional value for customers, leads to increased customer satisfaction (Anderson and Mittal 2000:107). Satisfaction, in turn, leads to increased retention (Bolton 1998:45; Thomas 2001:262; Zeithaml 2000:67) and to increased acquisition through word-of-mouth recommendations (Cronin and Taylor 1992:55). Retailer customer service has been found to increase customer satisfaction, thus leading to increased repurchase intentions, willingness to recommend and share-of-wallet (Beatty, Mayer, Coleman, Reynolds & Lee 1996:223; Dabholkar, Thorpe and Rentz 1996:3; Reynolds and Beatty 1999:11; Sirdeshmukh, Singh and Sabol 2002:15).

Improved customer service is a direct result of well-organized employee training (Gallo 2012:Internet). Cram (1994:9) argues that employee training firstly requires the right staff since without potential, no amount of dedicated training and development can succeed. Setting clear operational controls for employees and communicating them effectively is the basis for their understanding of the organisation's objectives. This provides a sense of direction in which any employee should move in serving customers and solving their problems. Training can involve the usage of the products sold or the best retailing techniques to employ (Cram 1994:8). Training has its own intrinsic merits in the way it can boost operational efficiency and competence. Part of training is to refresh and update staff in order to keep them informed of new initiatives and changes. The interaction between the customer and the positive and enthusiastic employee can provide an instantaneous positive impression (Cram 1994:9).

Store Location

Retail location is often considered to be the most important element of the retail mix due to the time and expense that is needed to find the right location (Dufton, Bailey & Hopkins 2001:Internet). The store choice decision can be conceptualised as a problem of deciding where and when to shop for the consumer (Popkowski Leszczyc, Sinha & Timmerman 2000:323). Store choice and location are thus interrelated and play a pivotal role in the decision making process when deciding which store to attend. Store choice is dependent on the timing of shopping trips, as consumers may go to a smaller convenient retail stores for short fill-in trips and go to a larger store for regular shopping trips (Kahn and Schmittlein 1989:55). Store location thus has an impact on convenience to customers, as well as the type of merchandise offered.

Pricing

The price in a transaction is the balance point between the interests of two parties. In its simplest terms it may represent the lowest figure the supplier is prepared to accept for parting with the product and the highest amount the customer is prepared to pay. The essence of relationship marketing is that prices should be driven by understanding the customer. Cram (1994:10) suggests that greater value tends to be appreciated and builds loyalty. Further to this, price should never be used as a promotional weapon. Price promotions can result in unfavourable outcomes. They can start price wars, teach customers to await the next offer, create

expensive demand surges and lead to subsequent demand collapses.

As the cost of advertising has dramatically increased in recent years, marketers are increasingly turning to pricing and price related promotions as a means of influencing purchasing decisions by consumers (Krishnamurthi & Raj 1991:172). Retailers have realised the importance of pricing mechanisms within marketing strategy and the role price plays with regards to store loyalty and commitment. Customers who are committed to specific brands will be less-sensitive to brand price and thus not be concerned with the prices of substitutes. These consumers are more inclined towards supermarkets which provide them with a large assortment of merchandise together with occasional discounted prices. Pricing is thus a pivotal component of the retail mix and should be carefully managed to consider all income groups and especially the target market to attract customers and build rapid short-term commitment.

Communication   Mix

A relationship begins with a conversation, and continuing communication maintains and sustains it (Risdall 2013:Internet). The most important part of the communication strategy is to ensure that communication is sufficiently frequent. More customers are lost through lack of follow up, and what appears to the customers to be indifference, than any other cause of lost sales. A study of competitor communications may indicate real opportunities to get closer to customers (Cram 1994:7).

A sales promotion is the offer of an incentive to induce a desired sales result (Gilbert 1999: 4). It is a fundamental component of the communication mix, however researchers have concluded that sales promotions can only lead to a short-term increase in sales (Banks & Moorthy 1999:371; Bawa & Shoemaker 1987:370; Diamond 1992:254; Gupta & Cooper

1992:401; Kopalle & Mela 1999:317; Smith & Sinha 2000:83).

Store layout and design

Design management covers the store environment, packaging, literature and corporate identity. It was discovered that British consumers expect packaging to be of a superior standard and thus are only attracted to innovative packaging within stores (Vazquez and Bruce 2002:202). Design is thus a tool which retailers employ in their marketing strategy to differentiate their merchandise and in the process strengthen their marketing position. Furthermore, design can further be broken down into pack, store and corporate design. These three factors are essential for effective store design, and play an imperative role with regards to consumers' psychological defences and entice them in becoming more involved as well as interested in the retailer's merchandise.

Store design goes beyond just the word "design". It involves atmospherics and adding an ambience to attract customers thereby creating a pleasurable buying experience (Vazquez & Bruce 2002:202). It entails developing certain areas and creating strategies which will enhance customer commitment in the process. It was revealed that a strong brand image influences buyer behaviour and purchase decisions in a positive manner (Porter & Claycomb 1997:373). A strong identity is thus necessary in supermarket retailing and must be managed with utmost care to create a cohesive and persuasive shopping experience (Fitch 1991:58).

The importance of store design has undertaken a new meaning within the retail industry in underpinning supermarket positioning. Viewing areas, special displays, aisle widths and customer traffic flows all influence the customer's impression of the store and, as a result, determine levels of spending within the store (Doyle & Broadbridge 1999:72). This requires ongoing management and can have a

significant impact on the perceived image of the store (Newman & Cullen 2001:449).

METHODOLOGY

General Approach

In order to obtain a comprehensive view of the elements of supermarket retailing strategy in South Africa, as well as attain an in depth understanding of customer commitment, experience interviews were conducted. Valuable insight was provided from both an academic and a commercial perspective. Experience interviews were conducted with Alice Louw (Global & Key Accounts Manager at TNS Customer Equity), Suzanne Ackerman-Berman (Director in Chairman's Executive Committee at Pick n Pay) and Leon Erens (Woolworths Constantia Store Manager).

Following the completion of the qualitative research phase outlined above, empirical data needed to be collected in order to quantify the analysis of customer commitment in relation to supermarket retailing strategy. Descriptive research was conducted by constructing a self-administered questionnaire which was successfully completed by 304 respondents from the general public. Selecting which people to survey was based on non-probability sampling. Quota sampling was also used to ensure a fair representation of mainstream supermarket customers in South Africa, based on data from Statistics South Africa and the All Media & Product Survey. Although the sample achieved is not necessarily reflective of the South African population at large, it is reasonably in keeping with the profile of mainstream supermarket shoppers in the country.

Overview of the Demographic Profile of the Sample

The largest percentage of respondents was Black (39 percent), followed by White (30 percent) and then Coloured (23 percent), while the Indian and Asian population groups were less significant (6 percent and 1 percent, respectively). The sample was split fairly evenly between male and female respondents. However, as special effort was made to interview female respondents owing to them generally being the primary household shoppers, there is a slight bias toward females (58 percent) relative to males (42 percent). The largest proportion of respondents was between ages 18 and 25 (45 percent), followed by the 26 to 35 group (26 percent) and then the 36 to 45 group (14 percent), while ages 46 and above were less significant (15 percent collectively). The sample is thus to some extent biased toward the younger demographic. The sample provided a fair representation of all the income groups – higher income groups (i.e. earning R 15 000 per month and above) only represented 28 percent of respondents.

Although slight biases were observed (e.g. the sample skewed towards young to middle aged, Black, lower-medium income group respondents), this was deemed to be reasonable as these nuances reflected the demographic of the urban supermarket in South Africa.

EMPIRICAL FINDINGS AND DISCUSSION

The relationship between customer loyalty and the underlying antecedents (namely satisfaction, involvement, an emotional connection, trust, and structural relational bonds) were comprehensively discussed in the literature review. Through utilising a basic descriptive analysis, the characteristics of the average respondent with respect to these antecedents and their loyalty were uncovered. These are detailed in table 2. Five point semantic differential scales were used for all except the last two scales listed in the table.

TABLE 2: DESCRIPTIVE STATISTICS OF ATTITUDINAL AND BEHAVIOURAL CHARACTERISTICS

Characteristic	Overall Response	Mean	Std Dev
Importance of store choice decision	Important	1.38	0.49
Degree of loyalty	Loyal	1.94	0.46
Loyal to the store because	Satisfied with the offering	1.23	0.44
Satisfaction with the store offering	Satisfied	4.16	0.67
Importance of an emotional connection	Neutral	3.04	1.04
Importance of trust	Important	3.91	0.81
Behavioural loyalty score	Moderate – 15 out of 30	15.07	3.66
Commitment score	Moderate – 16 out of 30	16.33	4.18

Source: Author's own compilation

The average respondent considered which supermarket store he/she shopped at to be an important decision, considered him/herself loyal to one specific supermarket store but nonetheless shopped at other supermarkets frequently and was generally satisfied with this specific supermarket's offering. (S)he considered the trustworthiness of this specific store to be important but was indifferent over whether (s)he had an emotional connection with this specific store. Lastly, the average respondent indicated both a commitment and behavioural loyalty score in the moderate range.

The importance of trust was reiterated by Leon Erens who asserts that customers desire value for their money and trust gives them an assurance of the value they will be receiving. Not only is it essential for the merchandise to always be of the expected quality and functionality, but also that if it isn't as the customer expected, the customer should be able to trust that the store will reimburse them or offer a substitute. Erens further expressed that trust is an element that is passed down to generations and thus younger customers will generally initially trust those retailers introduced to them by family members.

Alice Louw asserts that if customers care about which supermarket store they shop at, they are considered to have a stronger involvement and willingness to tolerate dissatisfaction before switching stores. This involvement dimension can also be viewed as a measurement of potential for

commitment. As a measure of involvement, respondents were asked to determine whether they considered which supermarket they shopped at to be an important decision. The majority of respondents (62 percent indicated that they considered this to be an important decision. This implies that these customers are viewed as being "involved" in their purchasing decision.

Respondents rated their level of satisfaction with regards to the specific supermarket store at which they shop, of which 88 percent were satisfied with the offering of the specific supermarket store they shopped at. However, Louw warns that without the presence of involvement, high satisfaction still produces passive users with low repurchase rates in many cases; commitment requires both involvement and satisfaction. Two thirds (66 percent) of respondents are both involved and satisfied with their chosen store and thus have high potential for commitment. It is thus concluded that the majority of South African customers are satisfied and involved with the specific supermarket store at which they shop and consequently have high potential for commitment.

Furthermore, Louw maintains that a measurement of a customer's emotional connection to a supermarket is also an accurate measurement of their commitment to that

supermarket. In the survey, respondents were asked to rate the importance of an emotional connection in their decision of where to shop. Despite the majority of respondents finding the decision of which supermarket store they shop at to be important, the mean response for the importance of an emotional connection was only 3.04, interpreted as neutral. This implies that the degree of involvement is fairly low. Hence, Louw describes these customers as passive users, who would be classified as committed, albeit on the shallow end of commitment. She notes that this, specifically in fast moving consumer goods retailing, is fairly common.

The importance of structural bonds also needs to be considered so that behavioural loyalty isn't interpreted as being a pure degree of loyalty. In this respect, respondents were asked whether they shopped at their specific supermarket store because they were satisfied with the store's offering or because they were constrained to do so. The vast majority of respondents shopped at their specific supermarket store because they were satisfied with the store offering (77 percent). Nevertheless, a significant portion of the respondents shopped at their specific supermarket store because they were constrained to do so (22 percent).

In order to determine the rationale for customers to be constrained to a specific supermarket store, these constrained respondents were asked why they were constrained to shop there. The most common reason (52 percent) for respondents to be constrained to their specific supermarket store was due to travelling issues (*e.g.* they do not own a motor vehicle or the other stores are too far away), followed by convenience (25 percent). These findings emphasise the importance of store location and accessibility for retailers because situating a store in a popular location which is considered convenient by customers relative to other supermarket stores attracts customers even if

their attitude towards the store is not particularly positive.

Of the respondents who were dissatisfied with their specific supermarket store's offering, 80 percent remained behaviourally loyal to a specific store as a result of structural relational bonds. Louw concurs that often dissatisfied customers stay with a brand (*i.e.* remain loyal) due to physical barriers such as location or cost, or psychological barriers such as 'they care so they stay with the brand and try to fix the problem.' Suzanne Ackerman-Berman notes that specifically in South Africa, with many people still living in poverty, aspects of the retail mix such as price and store location (due to a cost being involved in transport) play a pivotal role in determining which store these customers frequent.

The travelling constraint was further emphasised when respondents were asked to determine the distance they travelled to their specific supermarket store. The majority of respondents (61 percent travelled less than 15 minutes to their specific supermarket store and overall 87 percent travelled 30 minutes or less to their specific store, thus supporting the pivotal role store location plays in attracting customers. Only 13 percent of respondents travelled for more than 30 minutes, clearly illustrating that customers generally decide on a store that is less than 30 minutes away and thus it is concluded that 'required travelling distance' is a significant structural relational bond.

The six elements of the retail mix (namely price, merchandise assortment, customer service, store design and layout, communications mix and location) were analysed by asking respondents to rate the importance of each of these elements when deciding which specific supermarket store they shop at, on a scale of 1-5. The six elements were divided into thirteen retail mix variables, each of which is attributed to one of the elements of the retail mix. This is reflected in table 3. The aggregated importance scores are reflected in table 4 thereafter.

TABLE 3: BREAKDOWN OF RETAIL MIX ELEMENTS INTO CLUSTERED VARIABLES

Retail Mix Element	Inclusive Variables
Price	Prices
Merchandise assortment	Variety of merchandise, quality of merchandise, quality of fresh food, availability of private-label merchandise
Customer service	Friendly service, well-trained floor staff, high quality customer service
Store design and layout	Attractiveness of the store, facilities available
Communications mix	Brand of the Supermarket, sales promotions
Location	Convenient location

Source: Author's own compilation

TABLE 4: DESCRIPTIVE STATISTICS OF THE RETAIL MIX ELEMENTS

Retail Mix Variable	Overall Response	Mean	Std Dev	Rank
Price	Important	4.00	1.03	7
Variety of merchandise	Important	4.23	0.83	4
Quality of merchandise	Important	4.47	0.72	2
Quality of fresh food	Very Important	4.70	0.58	1
Availability of private-label merchandise	Neutral	3.11	1.06	13
Friendly service	Important	4.08	0.91	5
Well-trained floor staff	Important	3.83	0.10	9
High quality customer service	Important	4.02	0.88	6
Attractiveness of the store	Important	3.91	0.82	8
Facilities available	Neutral	3.39	1.15	11
Brand of the supermarket	Neutral	3.33	1.04	12
Sales promotions	Neutral – Important	3.50	1.10	10
Convenient location	Important	4.33	0.79	3

Source: Author's own compilation

As indicated in the table above, the quality of fresh groceries was rated the most important aspect, whereas the availability of private-label merchandise was considered the least important.

Ackerman-Berman reiterated that friendly service and high-quality service are important variables of the retail mix, an area where Pick n Pay have always placed emphasis. Furthermore, she stressed the fact that these variables played a fundamental role in providing consumers with the 'overall shopping experience.' In an environment where parity (or perceived parity) across product range existed, these variables could well make the difference. Erens, too, expressed that high-quality customer service is essential as it makes the customer feel valued. Nonetheless, retailers should never lose sight of the fact that their core offering (the merchandise) needs to be impressive.

CONCLUSIONS

In lieu of the findings of this research, the following conclusions are drawn:

South African supermarket customers have shallow commitment to the store at which they shop

Whilst South African supermarket shoppers are satisfied with their stores' offering, their involvement is deemed to be moderate.

Furthermore, their emotional connection to the store appears neutral. Supermarket chains therefore need to pay attention to exceeding the customer's expectations as:

Low prices are not a sure guarantee that the customer will stay. Instead, merchandise and convenience of location reign supreme.

Somewhat interestingly, customer service and the in-store environment were not deemed of the utmost importance. The top tier of priorities for supermarkets appear to be merchandise and location. Thereafter, service delivery becomes importance and may, thus, be classified as the second tier of priorities. The third tier of priorities includes such aspects as facilities available and sales promotions.

Behaviourally loyal patronage to supermarkets does not imply customer satisfaction with supermarkets

Behavioural loyalty is a behavioural measure, while satisfaction and commitment are attitudinal measures. Frequent patronage to a store may often be due to the structural relational bond of travelling constraints, and not a result of customer satisfaction. Findings suggest that a significant relationship exists between the travelling constraint and behavioural loyalty, thus stores which are in close proximity to customers' homes may receive high patronage, but not necessarily customers' commitment. Competition established in the vicinity may therefore have a devastating effect on store patronage down the line.

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THE ICT EFFECTS AND THE SWITCHING COSTS IN THE RELATIONAL VARIABLES: AN APPLICATION IN RETAIL TRADE OF GREECE AND SPAIN

Irene Gil-Saura, Konstantinos-Faidon Sylvestros & Beatriz Moliner Velazquez

Abstract

The perceived value has been converted to a fundamental construct in the retail context, acting as consequence and antecedent of key conduct variables. The present study tries to analyze the influence of information and communication technologies (ICT) and that of switching costs on a group of relationship variables. We aim to analyze the causal relations and their effects in the textile sector of the Greek and Spanish market. The results show the existing relations of perceived value with the antecedents and consequences proposed in the model except the ICT.

Key words*: ICT, perceived value, switching costs, commitment.*

INTRODUCTION

Various essays recognize that the complexity that changes cause to the market, like the intense competition and the technological development, creates difficulties to management especially in fast changing markets (Ferreiros, 2012). From this perspective, a firm strategy that becomes increasingly important is customer retention. In this direction, academic research on retailing seems that focuses on concepts like supplier dependence (Andaleeb, 1995), value (Anderson and Narus, 1990), commitment (Morgan and Hunt, 1994) or loyalty (Reynolds and Beaty, 1999). In this sense, perceived value is being perceived as a client´s total evaluation about

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the relational exchange with retailer (Sánchez et al., 2010).

Moreover, concerning the distribution channels, a tendency towards globalization can be observed which summons the research question if relational variables have stable perceptions from an international perspective.

In this framework, the present study tries to analyze the effects of the changes of dynamic variables like the ICT in the point of sales, on perceived value, commitment and loyalty. The starting point of this study is the evidence of previous studies about the significance of the factors that influence this process. Additionally, we intend to detect the possible differences between the generated perceptions of these variables in two geographical fields: Spain and Greece. In summary, this study attempts to contribute, through its results and its conclusions, to the supplier efforts in order to provide sustainable competitive advantages through the development of management systems and business differentiation based on

client orientation and more specifically on the delivery of value

RESEARCH THEORETICAL FRAMEWORK: LITERATURE REVIEW

The study of Value in marketing

In recent marketing investigation we can observe an increasing interest in the study of creation of value between the concerning parts of the relationship (Grönroos, 2000).

From the review concerning value, it is confirmed that the construct is complex and multidimensional. In respect of its conceptual definition, various authors widely accept the proposal of Zeithaml (1988), (e.g. Caruana et al., 2000). According to Zeithaml (1988:14), perceived value can be seen like *"the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given".* In this way, Oliver (1999:45) adds that value is *"a positive function of what is received and a negative function of what is sacrificed"*, however perceptions exclusively positive or negative can also be named value. In more recent studies, the treatment of perceived value as a multidimensional construct has gained ground (Sweeney and Soutar, 2001). This evolution has benefited research in this field as it has permitted the evaluation of the experience factor that consumers perceive in the store. In this direction, the present study highlights the contribution of Sweeney and Soutar (2001) who, based on the study of Sheth et al. (1991), they retain three dimensions in order to explain the nature of perceived value. In particular, they use the social value, that expresses the utility that derives from the supplier's capacity to increase the social self-concept, the emotional value, that is associated with the feelings or affective states generated by the point of sales, and the functional value that contains two elements. First, it's the utility related to the price that derives from the cost reduction applied by the supplier in short or long term. Second, the functional value is associated to the perceived quality and the expected results form the supplier.

Antecedents and consequences of value

As it is highlighted in the literature, there exists a number of variables that are antecedents of perceived value and influence significantly the construct. Among these variables, we stress the important influence of ICT. The significance of the ICTs' application in the firms and their effects in terms of relationship benefits has been confirmed during the last years (Ruiz et al., 2010a, b). Ryssel et al. (2004) point out that ICT is a term that comprises every form of technology in order to create, capture, manipulate, communicate, exchange, present and use information in various forms (company data, voice conversations, photos, drawings, multimedia presentations and other forms included that are not invented yet).

On the other hand, the concept of "switching costs" appears in the literature since 90s within the framework of the relationship evaluation that maintains the company in contact with its environment. In the area of trade distribution, the switching costs are defined as the perceived costs by the buyer to change his actual supplier for a new one.

These costs include the associated to the change of spending time, money and psychological cost (Dick and Basu, 1994).

In addition to the antecedents, the variables consequences of value have had a prominent role with regard to the results of marketing research.

Various academic studies have pointed out commitment as one of the main determinants in the creation of long-term relationships between supplier and customer (Ryssel et al., 2004). According to Morgan and Hunt (1994:23), *"the belief of an exchange partner that the ongoing relationship with another is so important as to warrant maximum efforts at maintaining it".* Also, relationship dependence is a construct that emerges as relevant to

explain commitment. Emerson (1962) as well, developed the dependence theory form an interpersonal perspective. According to this theory, dependence is perceived as a function of two factors: the value of the goal for the individual and the existence of alternative ways to achieve this goal. Thus, it is concluded that the dependence of a person is directly related to the benefits obtained form the resource and inversely related to the alternative resources of these benefits.

Finally, an important relational variable in terms of its links with value and loyalty. Loyalty has been considered as a significant influence for the retention of the client and for the repetitive purchase (Griffin, 1996). In this context, Dick and Basu (1994) have interpreted loyalty as the combination of a positive attitude and purchase repetition.

Research hypotheses

As mentioned previously, companies develop their activities in a highly changing environment, where technological innovations play a key role in the relationships with the customer. In this way, we understand that ICT exert a positive influence on relationship value of the company with its suppliers and customers (Mentzer and Williams, 2001; Gil et al., 2008). This permits us to form the basis for the first working hypotheses:

H1a: The retailer's ICT intensity has a positive influence on quality, as part of the functional value that is perceived by the customer

H1b: The retailer's ICT intensity has a positive influence on price, as part of the functional value that is perceived by the customer

H1c: The retailer's ICT intensity has a positive influence on the emotional value that is perceived by the customer

H1d: The retailer's ICT intensity has a positive influence on the social value that is perceived by the customer

On the other hand, switching costs refer to benefit and loss costs (White and Yanamandram, 2007). These costs are related

to a customer evaluation about the positive and negative aspects derived from his permanence in the relationship with the current supplier. These benefits can be related to the product and its quality, its price and also they can include social benefits as the relationship of trust and friendship with the personnel of the store. This enables the creation of value in the relationship with the retailer and that in turn provokes entry barriers for the competition and at the same time creates barriers for a possible exit of the customer from this link, through the switching costs effect (Lovelock, 1991). The previous considerations permit us to propose the following hypotheses:

H2a: The switching costs exert a positive effect on quality, as part of the functional value perceived by the customer

H2b: The switching costs exert a positive effect on price, as part of the functional value perceived by the customer

H2c: The switching costs exert a positive effect on emotional value that is perceived by the customer

H2d: The switching costs exert a positive effect on social value that is perceived by the customer

Moreover, the conceptualization of value proposed by Zeithaml (1988), underlines that the components of quality and price have relevant as well as different effects on perceived value (Sweeney and Soutar, 2001). Thus, that leads us to propose as working hypotheses:

H3a: Quality has a positive influence on perceived value

H3b: Price has a positive influence on perceived value

Sheth et al. (1991) conclude that besides functional value (quality and price), other dimensions of value like the social and emotional component result determinant as well in customer's choices. Based on these relations defined in the literature, we conclude that:

H3c: Emotional value has a positive impact on perceived value

H3d: Social value has a positive impact on perceived value

Several studied have stressed the relationship between perceived value and commitment (Morgan and Hunt, 1994, Sweeney and Soutar, 2001).

In this regard, Simpson et al. (2001) reach the conclusion that customer's perceived value about the company can positively influence on commitment. Therefore, we propose that:

H4: Perceived value positively influences on customer's commitment with the retailer

Likewise, literature confirms the positive relation between dependence and commitment (Srinivasan, 2008). Within this context, the existence of alternative retailers has been considered a potential factor that contributes to the creation of value (Sharland, 1997), as it enhances the market alternatives and for this purpose can significantly affect customer's commitment (Fullerton, 2005). That permits us to formulate the following working hypothesis:

H5: Customer's dependence from the supplier positively influences on commitment with that supplier

On the other hand, Evanschitzky et al. (2006) have highlighted that royalty derives from commitment which in turn, determines development and maintenance of relationships of value between buyer and seller (Morgan and Hunt, 1994). This assumption leads us to define the last working hypothesis:

H6: Customer's commitment with the retailer has a positive effect on customer's loyalty

Figure 1. Proposal of the model
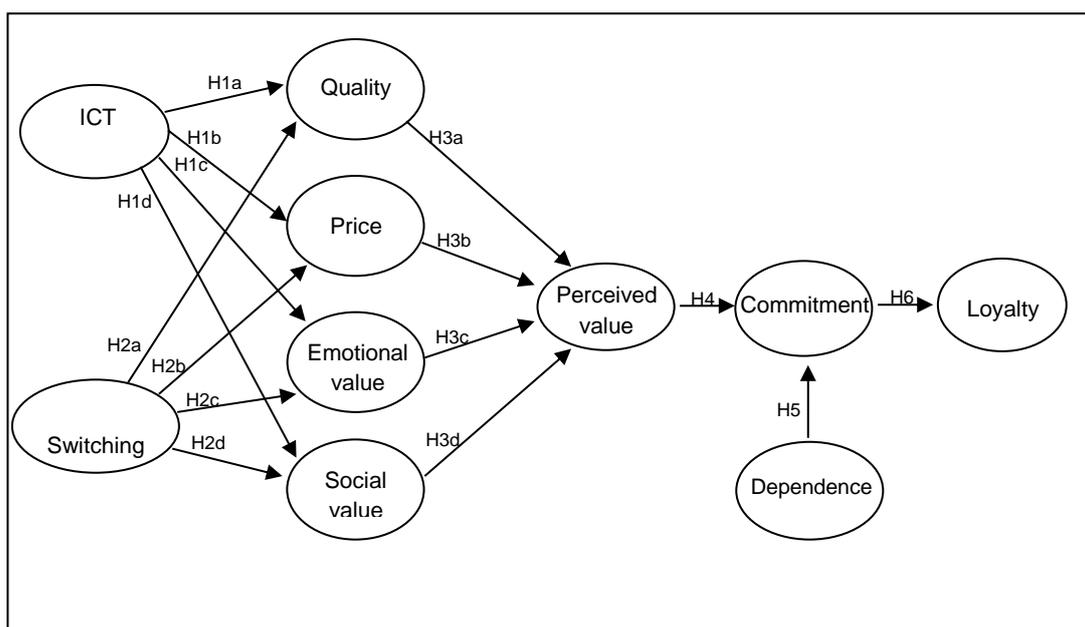
EMPIRICAL RESEARCH METHODOLOGY AND EVALUATION OF RESULTS

Research approach and data collection

Taking in account the literature review and the research objectives, a questionnaire was elaborated in order to collect information about the final customer and his opinion regarding the group of variables submitted to this research model.

These variables retained in the research were estimated as following in Table 1.

Table 1. Technical details of the research

GEOGRAPHICAL FIELD	Athens, Greece and Valencia, Spain
UNIVERSE	Individuals older than 18 years old
METHODOLOGY	Personal interviews through structured questionnaire
SAMPLE SIZE	207 valid surveys
FIELDWORK DATE	August 2012
SCALES (5 POINTS LIKERT)	ICT - Observatory (2006), Ruiz et al. (2010 a and b) Switching costs - Patterson and Smith (2001) Perceived value - Sweeney and Soutar (2001) Dependency - Gil et al. (2011) Commitment - Hennig-Thurau (2004) Loyalty - Srinivasan et al. (2002) and Anderson and Srinivasan (2003)
STATISTICAL TECHNIQUES	Descriptive analysis
	Analysis of Variance
STATISTIC SOFTWARE	PLS 2.0, SPSS 17

Table 2. Validation of the measuring instrument

Variable	Indicator	Loadings/ Weights	T value	α Cronbach	IFC	AVE
ICT INTENSITY	TIC1- Barcode / scanner	0,899	34,990**	0,954	0,964	0,819
	TIC2- Credit/Debit card payment	0,696	87,389**			
	TIC3- Telephone	0,961	104,534**			
	TIC4- Fax	0,966	92,416**			
	TIC5- E-mail	0,923	40,748**			
SWITCHING COSTS	COS1- Little effort is required to buy in this store	0,073	0,661	N/A	N/A	N/A
	COS2- This store solves me some of my problems	0,532	5,204**			
	COS3- I would waste a lot of time if I changed	0,313	2,470*			
	COS4- I will lose a friendly and comfortable relationship if I change	0,033	0,409			
	COS5- If I change, there's a risk the new one wouldn't be as good	0,243	1,951*			
	COS6- The time I need to buy in this store is acceptable	0,149	1,265			
PERCEIVED VALUE	CAL- Quality	0,293	3,912**	N/A	N/A	N/A
	PRE- Price	0,269	3,183**			
	EMO- Emotional value	0,244	2,740**			
	SOC- Social value	0,471	4,901**			
COMMITMENT	COMP1- My relationship with the store is important	0,943	93,541**	0,921	0,954	0,875
	COMP2- If the store closed, it would be a loss for me	0,946	103,025**			
	COMP3- I feel committed to this store	0,917	79,768**			
LOYALTY	LEAL1- I doubt that I would switch stores	0,739	21,347**	0,846	0,935	0,743
	LEAL2- I try to use this store whenever I purchase	0,863	56,433**			
	LEAL3- This store is my first choice	0,902	71,999**			
	LEAL4- This store is the best for me	0,91	95,832**			
	LEAL5- This is my favourite store	0,884	61,780**			

** p<0,05, * p<0,10. N/A: Not applicable.
The underlined indicators correspond to formative variables
Source: Own formulation

This quantitative research was carried out through a survey addressed to 207 buyers of retail stores of shoes and clothes in Athens and Valencia. The fieldwork took place during August 2012 in the exit of the stores. In relation to some traits of the survey, it is stressed that 77,14% of the respondents are women, as expected, as the purchase of shoes and clothes is an activity made more often by women who are more interested in buying clothes than men (Cowart and Goldsmith, 2007). Additionally, more than 80% of the respondents are not older than 45 years old, with a major representativeness of the segment 26-35 years old, considering that retail stores attract a younger and more extended age segment.

3.2 Results

In relation to the validation process of the measuring instrument, in the first place we estimate the convergent validity, which is analyzed for each indicator through the loadings, the crossloadings and the average mean-variance (Fornell and Larcker, 1981), and secondly, the discriminant validity and the reliability were analyzed. All the results were acceptable as it can be seen in Table 2.

With regard to the hypotheses addressed here, as Table 3 illustrates, the structural model permits to accept five out of six hypotheses, regarding the existing relations between the different constructs.

Table 3. Hypotheses testing

	Causal relation	Hypothesis	Standardized β	T value
H1	ICT -> PERCEIVED VALUE	Rejected	0,062 n/s	1,346
H2	SWITCHING COSTS -> PERCEIVED VALUE	Accepted	0,060**	10,262
H3a	QUALITY -> PERCEIVED VALUE	Accepted	0,035**	21,888
H3b	PRICE -> PERCEIVED VALUE	Accepted	0,045**	14,482
H3c	EMOTIONAL VALUE -> PERCEIVED VALUE	Accepted	0,023**	37,787
H3d	SOCIAL VALUE -> PERCEIVED VALUE	Accepted	0,023**	35,317
H4	PERCEIVED VALUE -> COMMITMENT	Accepted	0,056**	6,378
H5	DEPENDENCE -> COMMITMENT	Accepted	0,055**	7,488
H6	COMMITMENT -> LOYALTY	Accepted	0,020**	42,214

Perceived Value: R^2=0,1571; Commitment: R^2=0,1861; Loyalty: R^2=0,5606; **p< 0,05; n/s: non significant.

The intensity of ICT application from retailers in Greece and in Spain is the only addressed assumption that cannot be confirmed. The results show that ICT don´t affect customer´s perceived value (H1: β= 0,062 n/s). This result coincides with the obtained of Comer et al. (1998) who reveal that technology doesn´t influence significantly the relational variables (satisfaction, commitment, loyalty), something that posterior studies also corroborate (e.g. Ruiz-Molina et al., 2010b).

Additionally, a t-test is carried out with the objective to detect possible differences in the relative perceptions on the retained variables of

the model, between Greek and Spanish consumers (see Table 4).

Table 4. Evaluation of the variables by nationality:
Mean values and significant differences

Variable	Indicator	Total mean value	Group1: Greece	Group2: Spain	F
ICT INTENSITY	TIC1- Barcode / scanner	4,54	4,92	4,16	9.442b
	TIC2- Credit/Debit card payment	4,46	4,86	4,05	2.900c
	TIC3- Telephone	4,50	4,88	4,12	2.110
	TIC4- Fax	4,50	4,89	4,11	3.020b
	TIC5- E-mail	4,50	4,89	4,10	1.226
SWITCHING COSTS	COS1- Little effort is required to buy in this store	3,90	4,16	3,65	8,200a
	COS2- This store solves me some of my problems	3,14	4,16	2,13	6,580a
	COS3- I would waste a lot of time if I changed	3,22	4,17	2,26	1,160
	COS4- I will lose a friendly and comfortable relationship if I change	2,42	2,80	2,05	6,890a
	COS5- If I change, there's a risk the new one wouldn't be as good	3,72	3,83	3,62	18,260
	COS6- The time I need to buy in this store is acceptable	2,86	2,09	3,62	3,130c
PERCEIVED VALUE	CAL- Quality	3,91	4,22	3,59	11,366a
	PRE- Price	3,96	4,24	3,68	13,891a
	EMO- Emotional value	4,11	4,4	3,81	22,763a
	SOC- Social value	4,01	4,23	3,78	1,213
COMMITMENT	COMP1- My relationship with the store is important	3,16	3,64	2,68	0,616
	COMP2- If the store closed, it would be a loss for me	3,17	3,67	2,68	0,995
	COMP3- I feel committed to this store	3,38	4,16	2,6	61,474a
LOYALTY	LEAL1- I doubt that I would switch stores	4,10	4,31	3,89	47,536a
	LEAL2- I try to use this store whenever I purchase	3,35	4,06	2,63	20,005a
	LEAL3- This store is my first choice	3,57	4,11	3,02	52,049a
	LEAL4- This store is the best for me	3,13	4,21	2,05	18,069a
	LEAL5- This is my favourite store	2,99	3,30	2,68	5,265b

a, b, c Statistically significant for $p < 0.01$, $p < 0.05$ and $p < 0.10$, respectively

As it can be observed, there are statistically significant differences in the mean values of Spanish consumers in relation to the mean values of Greeks, almost in all the analyzed variables. In this aspect, Greek consumers present higher rates in all the indicators of ICT use by the retailer. Similarly, the existence of significant differences regarding the four

dimensions of perceived value –quality, price, social and emotional value- it is highlighted. Specifically, Spanish consumers consider that they perceive less value in the point of sale, compared with the responses of Greek consumers. Regarding the estimation of the rest of the relational variables, the results show that Greek consumers tend to be more loyal to the retailer as they reach higher rates, while the commitment perception doesn´t vary significantly between the two groups of customers.

All this leads to conclude that customer´s nationality affects its perceptions in relation with all the variables of the model in a significant manner.

CONCLUSIONS, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Literature admits the need to analyze the determinant factors of the provision of services in the area of retail distribution and their effect on the customer's behavioural intentions towards the retail store. Within this framework, perceived value has become a fundamental variable.

The present study has analyzed the of ICT and switching costs influence on relational variables like value, and it has identified their effects on commitment and loyalty in a retail environment, confirming the pivotal role of value. The research results show the existing relations between value and the proposed antecedents and consequences, except the ICT.

With all that, it can be concluded that in order to maintain in the market, the suppliers have to deliver a proposal of value to the consumer so to attract him, induce the purchase and foster loyalty (Warnaby et al., 2005). This process can be achieved through the creation of functional –quality, price-, emotional and social links. However, not all of them act with the same intensity. According to the study results, the effect of emotional value on total value and commitment is stronger than the produced by the rest of types of value. Therefore, we perceive as possible implications for the retail companies the concentration of their efforts on investing in the resources that improve customer's experience in the point of sale. These resources

can be developed through increased staff training in the store, with a true vocation towards customer orientation, service customisation and interpersonal relationship.

Finally, in this study we have found that nationality factor affects the behaviour of the model variables, pointing towards a possible moderating effect. Perhaps, the non significant effect of ICT can be explained by the significant differences found in the empirical research between the two customer profiles of nationality. All the above constitutes a new perspective in the analysis of relationships between customers and stores of clothing and footwear. It is noteworthy that this study has certain weaknesses.

First, a larger sample that includes increased number of respondents for each group, could permit to refine more the results. Likewise, the research in various retail formats and in different product categories could permit an increased mainstreaming of the findings. In the same way, sectors of activity where technology plays a more important role in terms of the relationship with the customer, could result more attractive field of research.

Finally, as future research lines could be interesting to assess if ICT can exert a moderating effect in their relation with perceived value, instead of acting as an antecedent. Furthermore, the intensity of the relation of perceived value with regard to commitment, in relation to the customers' age could be estimated, as well as the role of emotions or the state of mind which have been studied as antecedents of satisfaction. (Machleit and Mantel, 2001). It would also be useful to explore in the retailing context, the contribution of customer's search for variety, to the creation of loyalty (e.g. Christodoulides and

Michaelidou, 2010). In this direction, the moderating or antecedent role of this attitude could be analyzed and observe differences according the personal characteristics of the individuals.

We also propose to future studies to improve the measure of loyalty. The attitudinal approach applied in this study for measuring this construct should be complemented by a behavioural approach that includes not only the repetitive purchase but also the word-of-mouth attitude (Dick and Basu, 1994). This last response is one of the most relevant and recognised dimensions of loyalty in the literature, and with the technological development, the virtual dimension of word-of-mouth, gets an increasing academic and business interest (Chan and Ngai, 2011). Thus, it would be interesting to measure the word-of-mouth attitude, personal and electronic, in order to identify differences in this dimension of loyalty across cultures.

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DIGITAL MEDIA & POLITICAL MARKETING IN ALBANIA

Orjona Fjerza & Vjollca Hysi (Panajoti)

Abstract

This paper is a synthesis of a study and analysis conducted in Political marketing, focused mainly on the opinion of the electorate during the elections camping for the Parliamentary in Albania, held's on 23 June 2013. Highlighted already in many scientific articles, studies and empirical data, Political Marketing and the development of its technical tools are going in parallel with the development of technology and the New Social Media Marketing is becoming an increasing necessity for Political market in the world. In a broader plan, elements that characterize an electoral campaigns and what the final results reveals from the elections in Albania this article focuses mainly on political marketing elements and external factors excluding socio-economic (not less important).

Albanian political parties in the last election campaign gave a highest importance to accurate program, coalitions, images and messages forwarded to the electorate. Almost all the major political parties were awareness and showed greater maturity compared with previous election campaigns regarding the form and content of Political Product.

The paper consist on analyzing the collected data, through interviews, questionnaires, statistical and descriptive methods , as well as empirical studies reveal interesting facts and figures in the implementation of appropriate strategies by political parties for future campaigns. This paper also a reference article for the next academic research in the Political Marketing and represents a picture of the importance in particular of the social media and Political Marketing as whole.

Keywords: Digital Media marketing, 2013 Election Campaign, Factors analyze

INTRODUCTION

POLITICAL DIGITAL&SOCIAL MEDIA IN ALBANIA

In recent decades, many Western Balkan countries including Albania began the process of political transformation and socio - economic transition, which necessaries changes in the respective political system. Such transformations and brought new developments in terms of designing appropriate strategies commensurate political class European models. However, it seems to have difficulties, even today in their implementation, this because of cultural differences, socio - demographic, economic, historical etc.

Proposed research topic focus on the modern

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literature review regarding the new elements of Political Marketing, contextualize with Albanian political market.

Today's challenge for political parties, in the context of an increasingly dynamic environment, is to enhance the share of the electorate through the delivery of the message in the appropriate form for the realization of the main objective in the future elections campaigns.

As the latest literature refers, Political Marketing is a about, Political Experience, historical and Political management, studies of various segments of the electorate through social - demographic analysis, relationship with the media, interest groups, campaign management companies, fundraising and donations, compliance with the legal code of elections, political image and Political Product designing, political use of previous experience as a contemporary approach models etc.

Sixty-six political parties and two independent candidates were registered as contestants in a largely inclusive process that offered voters a genuine choice. Political parties registered according to the Law on Political Parties, as well as independent candidates could apply for registration as electoral subjects.

Most parties promoted similar platform goals: economic development, employment opportunities, the fight against corruption, and European integration. Issues most prominently featured in the public debate were social security and taxation. While the DP noted government achievements, the SP promised a new beginning. The SMI criticized the government and focused on job creation and joining European structures.

Major political parties in Albania, such as the Democratic Party, Socialist Party, Socialist Movement for Integration, Republican Party etc, engaged international companies for the campaign management. During the 2013 elections, the Socialist Party hired the "Alastair Campbell" brothers and left the advice of "Crespi", former Italian company which has provided consultants on previous campaign. Democratic Party chose to collaborate with the "Government Advisory", (Tony Blair company adviser), which replaced the advice given by the group of companies Tony Podesta, "Podesta and Patton Boggs, in the previous campaign.

Although digital media was one of the key factors to profit from Obama's election, in 2008 presidential election, new techniques of digital media and new social media were almost nonexistent during the 2009 General Election Campaign in Albania.

A wide range of media outlets operates in Albania. According to the Audiovisual Media Authority (AMA), there are 3 national television (TV) channels (public channel TVSH, TV Klan and Top Channel), 71 local TV channels, 83 cable TV channels and 59 radio stations.

Print media are numerous, although circulation and impact are limited. Internet provides an open sphere for public discourse. TV has the highest share of advertising market and is considered the primary source of information due to its wide geographical coverage.

The private broadcasters varied in their coverage. TV Klan favored the DP, with 53 per cent of mostly positive news coverage, compared to the SP, with 28 per cent of often negative news coverage. Top Channel and Vizion Plus were more balanced in their coverage, even if a more negative tone was noted towards the government. The news channels News 24 and Ora News provided wide and generally neutral coverage of the major parties. The print media showed some polarization, with Shqip and Shqiptarja.com mainly aligned with the opposition, and Mapo and Panorama with the ruling party.

Digital and Social media are becoming one of the most important factor of Modern Marketing, which has resulted also important and surely to be considered in Political marketing in Albania.

Social Networks born as a possibility of communication between friends, but today they have a great importance in communicating with the public and Business Marketing Strategy growth development. The biggest social network in the world is "Facebook" (in Albania Also,) while "Twitter" has many users in different countries of the world, but there are very few users in Albania. Another fundamental difference compared with "Twitter is the space, and timing. "Facebook", give the possibility of social interactions, mutual communication, what is most important is to obtain a direct feedback and expand, share and like, posts, messages, videos, comments, business or political pages feedback, promotions, while Twitter is more limited.

Even though the boom of social media already confirmed worldwide, also requires interaction with other forms of digital media. Parallel with the development of social media, are moving increasingly, mobile application, WebPages,

Google YouTube, Apple, Samsung etc. In other words, a cross-marketing approach involving multiple devices including TV, touch screen tablets, computers, laptops, mobile phones etc.

As the data revels below, using or being focused only on the social media marketing, will not guarantee the success for the political marketing. Cross digital marketing Strategies will be necessary to be elaborate and implement in the future campaigns.

RESEARCH QUESTIONS

According to the recent changes on the marketing concepts, especially in the nonprofit marketing, in our case on Political Marketing, the article tries to give answers to the following questions:

1. Are applicable in Albania new patterns and trends based on contemporary literature and practices of Political Marketing.

2. The positive effects of the use of digital and social media in politics compared with the most developed countries, will have particular impact on the successes of the Political Parties? If there is a positive connection, what influence them have and how political parties should use it?

 METHODOLOGY

The study is focused on the research works , articles , scientific literature , and in terms of contextualization in order to highlight the way / s how the Albanian case confirms , rejects or criticizes models , an approach already widely accepted theory within the science disciplines social and human . In this sense, we gave fundamental approach combining theoretical and empirical analysis.

Initially a preliminary testing of the survey was considered in December 2012, with around 200 questionnaires and in March- May 2013 the realization of the survey with specific focus groups and representatives, regarding 1,500 questionnaires were complete, analyzed and processed.

Initially were set the dimensions of the survey plot (with the help of inter - market Cronbacher consistency alpha) = preliminary factorial analysis. After this step the problematic questions identification helped a false removing alpha coefficient, (which shows the consistency of variables). Further we focused on re - defining the sampler for the selected sub- community (i.e. reduced questionnaire)

The respondents were of different ages, ranging from 18 years to 52 years. Field survey lasted about two weeks, and interviews conducted through face- to-face confrontation with the interviewee. Respondents selected at random, and the sample selection made depending on the weight that each university selected item. Demographic data presented in the tables below:

City	Frequency	Percentage
Tirana	778	51.9%
Berat	97	6.5%
Vlorë	126	8.4%
Shkoder	148	9.9%
Durres	94	6.3%
Elbasan	206	13.7%
Gjirokaster	51	3.4%
Total	1500	100.0%

| Age segments | Gender | | | | | |
| | Male | | Female | | Total | |
	Frequency	%	Frequency	%	Frequency	%
18-21	350	30.4%	800	69.6%	1150	100.0%
22-25	118	42.3%	161	57.7%	279	100.0%
26-29	20	58.8%	14	41.2%	34	100.0%
30-33	7	46.7%	8	53.3%	15	100.0%
>34	15	68.2%	7	31.8%	22	100.0%
Total	510	34.0%	990	66.0%	1500	100.0%

Part of this process was the creation of a database with the collected data and their processing and analysis, which was conduct via computer software like SPSS, Excel, and for the purposes of the study, used statistical models as the principal analysis enabling components finding correlations between dependent variables and independent ones.

FINDINGS ANALYZE

Factor Analyze

This section describes the data processed of the second survey conducted, as explained above in the methodology section, during the period March-May 2013. Here are described the results of the data regarding the impact of the use of social media marketing techniques and information received by the interviewers related with Political information. The Statistical model used for the data processing is the factors analyze and the analysis of the primary processing elements.

The table 1 shows the relationship (correlation) between the variables gender and age on the one hand and the questions: - Which party do you think has better organized election campaign? And the question, which of the parties predict will win the 2013 elections?

Based on factor analysis of the correlation coefficient with regard to gender, the first question is,

-0073, which means that the connection is very weak and negative direction. The same is observed with the second question for predicting the winners of elections where the coefficient is again very small, thus making insignificant. Note that the correlation coefficient indicates a mathematical value to measure the strength of linear vibrations in relation between two variables, which takes values from -1 to 1.

1 . Value +1 means that the connection is completely strong

2 . Value 0 indicates that the two variables have no connection

3 . A value of -1 indicates that the connection is strong but completely opposite direction.

The same phenomenon is also observed with variable age where the values of these correlations are very small, reaching the conclusion that the relationship between them is almost inexistent. Finally we can say that the forecast for the winning party and the fact that one of them has better organized electoral campaign do not depend of the gender or age of the respondents.

Table 1 Matrix of Correlations

	Which political party do you think of the better organized the campaign until now?	In Your opinion, which party do you think will win the election?
Gender	-0.073	-0.076
Age	-0.041	-0.05

Table 2

	Initial	Extraction
Gender	1	0.559
Age	1	0.587
Which political party do you think of the better organized the campaign until now ?	1	0.822
Your track , which party do you think will win the election?	1	0.821

Extraction Method: Principal Component Analysis

Table 3

Total Variance Explained						
Componen	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.672	41.792	41.792	1.672	41.792	41.792
2	1.116			1.116	27.903	69.695
3	0.856	21.395	91.09			
4	0.356	8.91	100			

Extraction Method: Principal Component Analysis.

Table 3 shows that the component 1 and 2 together account for 69.9 % of the total variance compared with the four factors taken together, where the largest share of the variation of voice first factor to 41.7 %. Factor 3 and 4, has been excluded (gender and age) which means that it does not affect the analysis of variance factors.

Table 4 shows the weight of each factor on another expressed through correlation. According to the coefficient values obtained, data shows that the correlation of gender and age with the first factor are respectively too low (-0233 and -0171).

Table 4 Component Matrix

	Component	
	1	2
Gender	-0.233	0.71
Age	-0.171	0.747
Which political party do you think better organized the electoral campaign so far ?	0.89	0.17
According to your opinion, which party do you think will win the election?	0.892	0.159

Extraction Method: Principal Component Analysis.

Table 5 shows the correlation coefficients for each pair of variables. The table also shows that, regardless of the respondents use the Internet they are almost indifferent as regards information relating to political parties on social networks like Facebook, Twitter on whether they do Like, these party websites or making information Share from their respective post , which is indicated by the very low values of

these coefficients of correlations. It is also indicated in Table 6 which shows very low values of these variables adjustment. On the other hand, Table 7 also shows that the use of the Internet, Facebook and Twitter it also occupied the largest share, accounting for a total weight of 64% of the 12 variables considered.

Table 5 matrix of correlations

	On average how many hours of Internet use during a week ?	Do you use Facebook ?	Do you use Twiter?	Do you use Facebook / Twiteri? the blog ?	Are you part of the blog ?	Do you use LinkedIn ?	If you have an account on Facebook , have you done Like for your party ?	If you have an account on Facebook , Twiter , have you made the web Share your party ?	If you have an account on Facebook , Twiter , have you called your friends to vote for your favorite party ?	Have you made Like / Share / Call for your Party?	Which political party do you think has better organized the electoral campaign until now ?	Accordin g to your opinion, which party do you think will win the election?
On averag	1	0.182	0.121	0.175	0.174	0.165	0.119	0.09	0.084	0.104	-0.034	-0.051
Do you us	0.182	1	0.053	0.946	0.089	0.075	0.266	0.099	0.068	0.247	-0.015	-0.033
Do you us	0.121	0.053	1	0.137	0.21	0.16	0.088	0.173	0.058	0.103	-0.029	0.004
Do you us	0.175	0.946	0.137	1	0.112	0.095	0.263	0.121	0.087	0.263	-0.029	-0.043
Are you p	0.174	0.089	0.21	0.112	1	0.318	0.119	0.092	0.045	0.105	0.018	-0.025
Do you us	0.165	0.075	0.16	0.095	0.318	1	0.102	0.075	0.094	0.102	-0.042	-0.049
If you hav	0.119	0.266	0.088	0.263	0.119	0.102	1	0.389	0.245	0.923	-0.314	-0.302
If you hav	0.09	0.099	0.173	0.121	0.092	0.075	0.389	1	0.399	0.447	-0.221	-0.183
If you hav	0.084	0.068	0.058	0.087	0.045	0.094	0.245	0.399	1	0.388	-0.163	-0.143
Have you	0.104	0.247	0.103	0.263	0.105	0.102	0.923	0.447	0.388	1	-0.308	-0.313
Which pol	-0.034	-0.015	-0.029	-0.029	0.018	-0.042	-0.314	-0.221	-0.163	-0.308	1	0.644
According	-0.051	-0.033	0.004	-0.043	-0.025	-0.049	-0.302	-0.183	-0.143	-0.313	0.644	1

Table 6 Communalities

	Initial	Extraction
On average how many hours of Internet use during a week ?	1	0.279
Do you use Facebook	1	0.955
Do you use Twiter?	1	0.323
Do you use facebook/Twiterin?	1	0.943
Are you part of the Blogs ?	1	0.544
Do you have a Linkedin account?	1	0.506
If you have a fb /Twiter account , did u klik like to your favorite party post?	1	0.73
If you have an account on Facebook , Twiter , have you made the web Share your party ?	1	0.55
If you have a fb /Twiter account, did you invite friends to voto for your favorite poltical Party ?	1	0.453
Did u make like , share / invite for your favorite Party?	1	0.823
Which political party do you think better organized the electoral campaign so far ?	1	0.789
According to your opinion, which party do you think will win the election?	1	0.808

Extraction Method: Principal Component Analysis.

Table 7 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.224	26.865	26.865	3.224	26.865	26.865
2		1.872		1.872	15.603	42.468
3	1.432	11.937	54.406	1.432	11.937	54.406
4	1.175	9.789	64.194	1.175	9.789	64.194
5	0.893	7.444	71.638			
6	0.883	7.359	78.997			
7	0.822	6.847	85.844			
8	0.671	5.588	91.432			
9	0.563	4.694	96.126			
10	0.352	2.933	99.06			
11	0.067	0.555	99.615			
12	0.046	0.385	100			

Extraction Method: Principal Component Analysis.

Table 8

	Initial	Extraction
On average how many hours of Internet use during a week ?	1	0.279
Do you use Facebook	1	0.955
Do you use Twiter?	1	0.323
Do you use facebook/Twiterin?	1	0.943
Are you part of the Blogs ?	1	0.544
Do you have a Linkedin account?	1	0.506
If you have a fb /Twiter account , did u klik like to your favorite party post?	1	0.73
If you have an account on Facebook , Twiter , have you made the web Share your party ?	1	0.55
If you have a fb /Twiter account, did you invite friends to voto for your favorite poltical Party ?	1	0.453
Did u make like , share / invite for your favorite Party?	1	0.823
Which political party do you think better organized the electoral campaign so far ?	1	0.789
According to your opinion, which party do you think will win the election?	1	0.808

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

Table 8 presents the weight of these four main components showing once again the weak link between variables. As to the manner of obtaining information about political parties associated with the program , activities , etc. Table 9 shows that respondents receive more information through the social network Facebook that has high correlation with Internet use variable value 0.66 . Also the correlation between access to information through the media like radio or television has low value , which means that although it can see or hear the various programs they are much less interested to hear or see programs on political campaign , concluding that a very small proportion of young people are mainly those who follow political information and most are those who are actively involved in youth of political parties or those who directly participate in staff close candidates for deputies .

This fact also support the values expressed in Tables 10 and 11 for weight and adjusting the variables where higher values are those using the Internet and social network Facebook value respectively 0.82 and 0.79 while other factors are presented in low values. Table 11 also shows that only 6 of the 12 variables taken proper review variances occupy 67 % of their total values of which are presented in Table 12 distributed.

Table 9: Correlation Matrix

Correlation Matrix	Informed about politics through Internet?	Informed about politics through Facebook?	Informed about politics through magazines?	Informed about politics through Twiter?	Informed about politics through Television?	Informacionin per politiken e merrni: Nepermjet Radios?	Informed about politics through Radio?	Informed about politics through friends	If you are informed through television, the information gained from TV Klan, seems to you to be realistic?	If you are informed through television, the information gained from NEWS 24, seems to you to be realistic?	Nese informacionin per politiken e merrni nepermjet medias vizive, a ju duket realist informacioni ne Ora News?	If you are informed through television, the information gained fromTop Channel, seems to you to be realistic?	If you are informed through television, the information gained from TVSH, seems to you to be realistic?	If you are informed through television, the information gained from UFO TV, seems to you to be realistic?	Which political party do you think better organized the electoral campaign until now?	According to your opinion, which party do you think will win the election?
Informed	1	0.668	0.185	0.195	0.233	0.158	0.231	0.307	0.139	0.158	0.117	0.124	0.067	0.119	-0.149	-0.169
Informed	0.668	1	0.131	0.21	0.207	0.185	0.274	0.359	0.172	0.174	0.173	0.152	0.081	0.12	-0.146	-0.157
Informed	0.185	0.131	1	0.038	0.432	0.175	0.223	0.207	0.189	0.194	0.231	0.067	0.237	0.214	-0.128	-0.092
Informed	0.195	0.21	0.038	1	-0.195	0.365	0.076	0.127	0.165	0.158	0.14	0.075	0.059	0.093	-0.025	0.008
Informed	0.233	0.207	0.432	-0.195	1	0.073	0.299	0.2	0.12	0.153	0.171	0.2	0.15	0.14	-0.101	-0.141
Informed	0.158	0.185	0.175	0.365	0.073	1	0.211	0.25	0.169	0.221	0.208	0.153	0.122	0.182	-0.005	-0.002
Informed	0.231	0.274	0.223	0.076	0.299	0.211	1	0.612	0.25	0.2	0.231	0.13	0.115	0.175	-0.176	-0.17
: Informed	0.307	0.359	0.207	0.127	0.2	0.25	0.612	1	0.186	0.169	0.218	0.088	0.091	0.19	-0.153	-0.167
If you are	0.139	0.172	0.189	0.165	0.12	0.169	0.25	0.186	1	0.347	0.334	0.034	0.415	0.213	-0.068	-0.048
If you are	0.158	0.174	0.194	0.158	0.153	0.221	0.2	0.169	0.347	1	0.683	0.321	0.247	0.249	-0.002	-0.028
If you are	0.117	0.173	0.231	0.14	0.171	0.208	0.231	0.218	0.334	0.683	1	0.217	0.297	0.324	-0.007	-0.025
If you are	0.124	0.152	0.067	0.075	0.2	0.153	0.13	0.088	0.034	0.321	0.217	1	0.032	0.042	-0.042	-0.084
If you are	0.067	0.081	0.237	0.059	0.15	0.122	0.115	0.091	0.415	0.247	0.297	0.032	1	0.494	-0.058	-0.033
If you are	0.119	0.12	0.214	0.093	0.14	0.182	0.175	0.19	0.213	0.249	0.324	0.042	0.494	1	-0.004	-0.005
Which po	-0.149	-0.146	-0.128	-0.025	-0.101	-0.005	-0.176	-0.153	-0.068	-0.002	-0.007	-0.042	-0.058	-0.004	1	0.644
According	-0.169	-0.157	-0.092	0.008	-0.141	-0.002	-0.17	-0.167	-0.048	-0.028	-0.025	-0.084	-0.033	-0.005	0.644	1

Table 10 : Communalities

	Initial	Extraction
Informed about politics through Internet?	1	0.827
Informed about politics through Facebook?	1	0.794
Informed about politics through magazines?	1	0.432
Informed about politics through Twiter?	1	0.655
Informed about politics through Television?	1	0.701
Informed about politics through Radio?	1	0.461
Informed about politics through Familiars?	1	0.753
: Informed about politics through friends	1	0.737
If you are informed through television, the information gained from TV Klan, seems to you to be realis	1	0.45
If you are informed through television, the information gained from NEWS 24, seems to you to be real	1	0.75
If you are informed through television, the information gained from Ora News, seems to you to be real	1	0.681
If you are informed through television, the information gained fromTop -Channel, seems to you to be r	1	0.612
If you are informed through television, the information gained from TVSH, seems to you to be realistic	1	0.711
If you are informed through television, the information gained from UFO TV, seems to you to be realis	1	0.534
Which political party do you think better organized the electoral campaign until now?	1	0.82
According to your opinion, which party do you think will win the election?	1	0.814

Extraction Method: Principal Component Analysis.

Table 11: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.774	23.59	23.59	3.774	23.59	23.59
2		1.909		1.909	11.934	35.524
3	1.505	9.405	44.929	1.505	9.405	44.929
4	1.282	8.011	52.94	1.282	8.011	52.94
5	1.206	7.54	60.48	1.206	7.54	60.48
6	1.055	6.595	67.075	1.055	6.595	67.075
7	0.948	5.927	73.001			
8	0.812	5.073	78.075			
9	0.719	4.493	82.568			
10	0.585	3.656	86.224			
11	0.465	2.905	89.129			
12	0.414	2.587	91.716			
13	0.367	2.294	94.01			
14	0.346	2.163	96.172			
15	0.326	2.039	98.212			
16	0.286	1.788	100			

Extraction Method: Principal Component Analysis.

Table 12 Component Matrix

	Component					
	1	2	3	4	5	6
Informed about politics through Internet?	0.533	-0.367	0.354	0.17	0.095	0.495
Informed about politics through Facebook?	0.565	-0.341	0.396	0.145	0.075	0.418
Informed about politics through magazines?	0.493	-0.006	-0.328	0.252	0.128	0.031
Informed about politics through Twiter?	0.291	0.119	0.622	-0.405	0.064	-0.028
Informed about politics through Television?	0.454	-0.18	-0.411	0.532	-0.066	0.086
Informed about politics through Radio?	0.446	0.142	0.395	-0.102	0.041	-0.273
Informed about politics through Familiars?	0.603	-0.235	0.001	0.194	0.146	-0.525
: Informed about politics through friends	0.598	-0.269	0.154	0.164	0.219	-0.456
If you are informed through television, the information gained from TV Klan, seems to you to be realis	0.525	0.277	-0.102	-0.238	0.174	0.028
If you are informed through television, the information gained from NEWS 24, seems to you to be real	0.6	0.409	-0.009	-0.07	-0.466	0.013
If you are informed through television, the information gained from Ora News, seems to you to be real	0.618	0.426	-0.08	-0.069	-0.325	-0.036
If you are informed through television, the information gained fromTop -Channel, seems to you to be r	0.328	0.027	0.076	0.147	-0.69	0.02
If you are informed through television, the information gained from TVSH, seems to you to be realistic	0.463	0.389	-0.358	-0.237	0.332	0.226
If you are informed through television, the information gained from UFO TV, seems to you to be realis	0.481	0.352	-0.208	-0.109	0.333	0.118
Which political party do you think better organized the electoral campaign until now?	-0.266	0.612	0.304	0.519	0.11	0.014
According to your opinion, which party do you think will win the election?	-0.275	0.624	0.305	0.47	0.184	0

Extraction Method: Principal Component Analysis.

6 components extracted.

CONCLUSIONS

Political marketing is not only the elections campaign. The election campaign is the period of emergence and implementation of marketing strategy suitable constraint to growth target electorate.

Undoubtedly, the implementation of modern marketing strategies as in business, as well as in the field of Political Marketing depends on the economic power of the political entity. Even if implementing with specialists the most sophisticated and modern one campaign, it could not be enough to have the required success in the elections.

If the political Parties will not take in consideration the campaign finance, electoral system, legal framework, election administration, Postelection period, socio-economic factors of the country, regularly study segments of the electorate, whether there would not operate in a social democratic system inside and outside the Political Party, political marketing or other marketing techniques surely will fail.

As mentioned in the introduction of the paper, also after analyzing the survey conducted during electoral campaigns, marketing strategies interaction in Albanian political market are required.

Note that this study excludes the impact of external variables such as economic level, demographic composition, social factors, relationship with the previous election history etc.

Despite the limitations of the research mentioned above and the following set of answers at the top of the paper, we can conclude:

New forms and techniques of digital media has been implanted from the political Parties in 2013 Election Campaign. Data shows that more and more the Digitalization of the campaign will increase and new and more sophisticated techniques would be elaborate and implement.

Conclusions drawn through the final reports that the digital media and social media applications as part of marketing budget has to consider also advertising spots, rallies, promotional products,

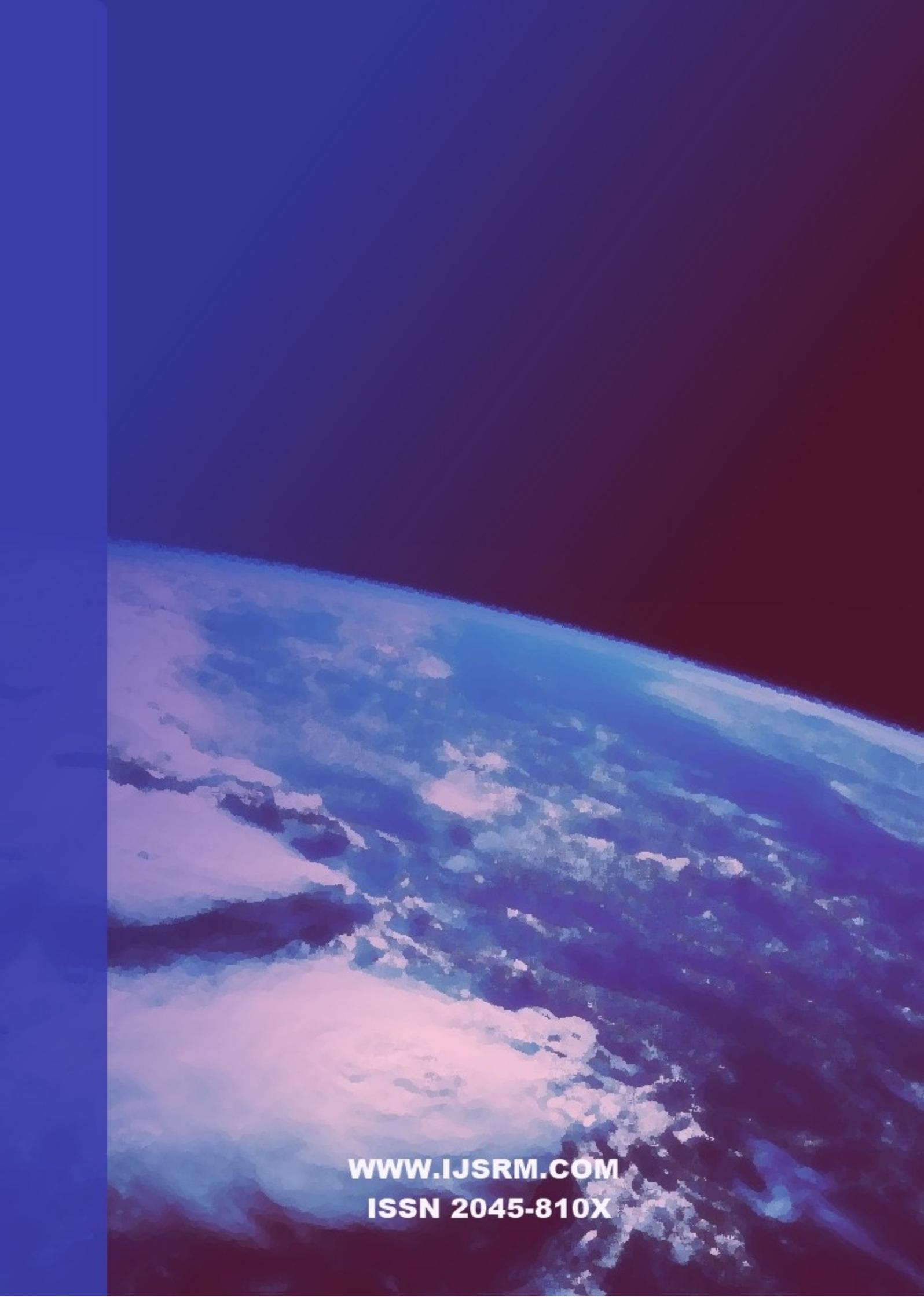posters, leaflets, banners, city light , meetings, concerts, etc.

The final Reports of Parties and other interested institutions and the deep analyses should offer an accurate image.

Political parties one shall be give due importance to all public and certain market segmentation, but always in coherence with socio-political system of Albania and in mean time to stay in contact with the electorate also in post election period.

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