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Contents

Editorial

The current issue of the International Journal of Sales, Retail and Marketing is once more dedicated to the best research papers from the area of retailing, sales and marketing. In this issue we are proud to present four original research papers from the Mexico, Kenya and Egypt. The contributing authors published several interesting researches regarding corporate reputation through satisfaction in emerging markets, influence of retail networks on the competitive advantage of oil marketing firms, retailers benefits from manufacturers' brands and the effectiveness of relationship management and service quality on service delivery.

The profile of contributors to the Journal ranges from well-known established professors to young and promising doctoral students whose time is yet to come.

This was the last issue of the IJSRM with me as the editor-in-chief. From the next issue the new editor-in-chief will be Professor Kadrija Hodžić from the University of Vitez, Bosnia and Herzegovina (kadrija.hodzic@unvi.edu.ba). We wish him a pleasant and productive mandate in the IJSRM.

Thank you for taking interest in publishing and reading ***The International Journal of Sales, Retailing and Marketing***. We hope it will be a valuable help in your professional and academic advancement.

Editor,

Mirko Palić, Ph.D.

THE INFLUENCE OF RETAIL NETWORK EXPANSION ON THE COMPETITIVE ADVANTAGE OF OIL MARKETING FIRMS IN KENYA: CASE OF VIVO ENERGY

Duncan Mathenge Nderitu & Reuben Kinyuru Njuguna

Abstract:

The advent of liberalization in October 1994 in Kenya's petroleum sub-sector has witnessed unprecedented influx of players into this sector. This has led to stiff competition, as the fight for customers seems to be a never-ending war. The increased number of firms in this sector has given the consumers a wide variety of choices from which to make a choice. This coupled with changes in socio-cultural trends such as education and the increased importance of time has forced oil companies to be more sensitive and responsive as customers are now demanding value for their money. This study therefore sought to determine the influence of retail network expansion on the competitive advantage of oil marketing firms in Kenya. This study used a descriptive research design. The target population of this study was all the 110 staff working at the headquarters of Vivo Energy. Stratified random sampling technique was used to select 50% of the target population. The sample size was 55 staff. This study used both primary and secondary data. Secondary data was collected from the financial statements and the strategic plan of Vivo energy. Primary data was collected by use of semi-structured questionnaires and key informant interview guide. Before the main data collection a pilot test was conducted to test the validity and reliability of the research instrument. Quantitative data was analyzed by use of both descriptive and inferential statistics by use of statistical package for social sciences (SPSS version 22). Descriptive statistics included frequency distribution, percentages, measures of central tendencies (mean) and measures of dispersion (standard deviation). The data was then presented in tables and graphs. Inferential statistics such as correlation analysis and multivariate regression analysis were used to establish whether there is a relationship between the dependent and the independent variables. The study applied a 95% confidence level. A 95% confidence interval indicates a significance level of 0.05. This implies that for an independent variable to have a significant influence on the dependent variable, the p-value ought to be below the significance level (0.05). The study found that retail network expansion had a positive and significant influence on the competitive advantage of Vivo energy. The study recommends that Vivo Energy should seek to increase its branch network even more. In addition, they should focus more on areas lacking fuel stations, upcoming residential areas and developing cities. To improve its distribution network, Vivo Energy needs to adopt the franchising strategy as it requires little or no resources. Also, since the company has been increasing its branch network, it should consider incorporating conveniences stores like shopping Matts and services like car wash and motor vehicle servicing.

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Keywords: *Competitive advantage, Retail network expansion, Oil Marketing Firms, Distribution Strategies*

Introduction

The business environment in the oil marketing industry has become competitive following increased changes that have been implemented in the past one decade (Arora, 2015). In addition, continued effects of globalization, information technology advancements and regulatory framework have changed the competitive levels in the industry. In order to keep pace with these changes and remain competitive, oil marketing firms have to develop appropriate response strategies to propel them to attain their organizational goal. According to Cross (2015), competition as one of the environmental influences to a business exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to perceived and actual changes in the competitive environment. Strategic decisions are ones that are aimed at differentiating an organization from its competitors in a way that is sustainable in the future. It is through response strategies that a firm seeks to build competitive advantage which it can then seek to sustain (Wambua et al., 2014). According to Oduol (2014), a strategy refers to the pattern or plan that integrates an organization's major goals, policies and action sequences into a cohesive whole. A strategy helps to define the specific business of the firm in terms of products, markets and geographical scope and can be considered as a firm's game plan that enables the firm to create competitive advantage (Ehinomen & Adeleke, 2012). A distribution strategy is a plan created by the manufacturing department of a company that outlines how the company aims to make its products available to retailers, intermediaries and consumers. The strategy focuses on the location of the target market, transportation and the storage of the stock (Amponsah & Opei, 2014).

Distribution strategies play a crucial role in the launch of new products to the market and in the growth of market share in an organization. Distribution is crucial in the eventual acceptance and sales of a new product in the market as it determines the availability of the new product to customers (Mahendra, 2013). Distribution decisions have a far reaching effect in an organization because changing them is both resource and time demanding and hence firms have to take great care in designing their distribution systems during the launch of products (Khandelwal, 2013). As a result an organization distribution strategy plays a role in enabling the availability and application of the product in the marketplace and therefore the distribution strategy employed by the organization would impact the nature of "market support" capability that can be provided to the innovation.

In the recent past, research on distribution strategies of products and competitive advantage has gained a lot of interest among researchers globally. In India, Mahendra (2013) indicates that the distribution of petroleum products widely depends on policy designed by the government as prices are controlled by the Government and other affiliated bodies. In addition, Khandelwal (2013) indicates that the distribution of automotive lubes has in the recent past witnessed a major transition from traditional public sector pumps to bazaar trade in the United Kingdom. In Ghana, Amponsah and Opei (2014) indicates that the growth of the petroleum industry is highly dependent on ensuring that petroleum products produced at the downstream sector of the industry are distributed consistently and timely to consumers through an effective and efficient supply chain system. In Nigeria, Ehinomen and Adeleke (2012) indicate that the distribution of petroleum products in the Nigerian economy is fraught with complex problems resulting sometimes in petroleum products outages, inflated prices of products and contentions on the pump price of products.

The oil marketing industry in Kenya has faced numerous challenges as their operating environment evolved. The situation was worsened by the introduction of stringent tax regimes by the Kenya Revenue Authority (KRA) which requires upfront prepayment of 100% taxes on oil imports (Abekar, 2014). About 70% of the fuel sold locally used to be refined by the Kenya Petroleum Refineries Limited (KPRL) while 30% was imported as fully refined until the closure of KPRL. Currently the country only imports refined oil products on which 100% duty payment is levied upfront. In addition the pump prices especially for Petrol, Diesel and kerosene is controlled by the Energy Regulatory Commission (ERC) which is a Government agency. The number of oil marketing companies has also increased making the industry very competitive (Petroleum Institute of East Africa, 2015).

Vivo Energy took over the marketing and distribution of shell branded fuels and lubricants in Nov 2012 from Shell international who relinquished their operations in Kenya and Africa as a whole after a long period of loss making, and has adopted an aggressive marketing strategy to capture the widening base of consumers across the country. In Kenya, the company operates 177 retail stations spread across the various regions in the country. Vivo Energy Kenya market share stood at 16% at end of year 2013 but has since grown to 17.6% as at end of year 2015. Total is the leading oil marketing company with a market share of 19.5% with the rest of the share being distributed amongst other oil marketers. In the year 2013, Vivo energy acquired 10 new fuel stations in major towns including Nairobi, Thika, Kiambu, Kakamega and Machakos. The oil marketer also opened another 33 fuel stations between the year 2014 and 2015 in towns like Kisii, Meru, Eldoret, Kisumu and Embu; raising its total branch network in the country to 160 by 2015 (Petroleum Institute of East Africa, 2015).

Statement of the Problem

The advent of liberalization in October 1994 in Kenya's petroleum sub-sector has witnessed unprecedented influx of players into this sector. This has led to stiff competition, as the fight for customers seems to be a never-ending war (Kimeu, 2014). The so-called major oil companies have lost a substantial part of their market share over the years. The increased number of firms in this sector has given the consumers a wide variety of choices from which to make a choice (Abekar, 2014). This coupled with changes in socio-cultural trends such as education and the increased importance of time has forced oil companies to be more sensitive and responsive as customers are now demanding value for their money.

According to Petroleum Institute of East Africa (2015), Total Kenya, Vivo Energy Kenya and Kenol-Kobil combined market share stood at 71.9 per cent in the three months ended June 2013. In the year 2015, the three companies had seen their market share drop steadily to 52.3 per cent as smaller rivals such as Hashi, Gulf and Gapco expanded their retail presence across the country. In August 2015, Total Kenya recorded a 16 per cent decrease in its profits compared to the previous year (Petroleum Institute of East Africa, 2015). This shows that the entry of new players in the oil marketing industry in Kenya has an influence on the competitiveness of oil companies in terms of market share and profitability.

Vivo energy is the fastest growing oil marketing company in Kenya today. It has been able to turn around performance after buying off Shell assets who exited operations in Africa in 2012 due to diminished returns decline in profits substantially. In response to increased competition, Vivo energy has adopted various retail distribution strategies in an effort to increase their customer base and market share (Kimeu, 2014). These strategies include increase in branch network.

Various studies have been conducted in the oil marketing industry in Kenya. For instance, Oduol (2014) conducted a study on the competitive strategies adopted by independent oil lubricant marketers in Kenya; Wambua et al. (2014) carried out a study on the competitive strategies' effects on the market share of independent petroleum companies in Kenya; and Kimeu (2014) conducted a study on price regulation, product stocking strategies and market share for oil marketing companies in Kenya. However, despite their increased adoption by oil companies in Kenya, there is little empirical evidence of studies showing the implications of retail network expansion on competitive advantage. This study therefore sought to assess the influence of retail network expansion on the competitive advantage of oil marketing firms by focusing on Vivo Energy Kenya.

Theoretical Framework

Resource based view theory was developed by Birger Wernerfelt in his article known as 'a Resource-Based View of the Firm' in 1984. The resource-based view (RBV) lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal (Kozlenkova, Samaha & Palmatier, 2014). To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile. Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great effort. If these conditions hold, the bundle of resources can sustain the firm's above average returns (Kozlenkova, Samaha and Palmatier, 2014).

Gillis, Combs & Ketchen (2014) emphasizes the distinction between capabilities and resources by defining capabilities as a special type of resource, specifically an organizationally embedded non-transferable firm-specific resource whose purpose is to improve the productivity of the other resources possessed by the firm. Resources are stocks of available factors that are owned or controlled by the organization, and capabilities are an organization's capacity to deploy resources. Essentially, it is the bundling of the resources that builds capabilities.

According to RBV proponents, it is much more feasible to exploit external opportunities using existing resources in a new way rather than trying to acquire new skills for each different opportunity. In RBV model, resources are given the major role in helping companies to achieve higher organizational performance. There are two types of resources: tangible and intangible. Tangible assets are physical things (Jensen, Cobbs & Turner, 2016) like land, buildings, machinery, equipment and capital. Physical resources can easily be bought in the market so they confer little advantage to the companies in the long run because rivals can soon acquire the identical assets. Intangible assets are everything else that has no physical presence but can still be owned by the company. Brand reputation, trademarks, intellectual property are all intangible assets. Unlike physical resources, brand reputation is built over a long time and is something that other companies cannot buy from the market. Intangible resources usually stay within a company and are the main source of sustainable competitive advantage (Hitt, Carnes & Xu, 2016).

Resource based view theory entails the identification of unique resources in a firm and making a decision where these resources can be invested to earn the company the highest returns. The theory also suggests that a firm's resources are the key determinants of its performance and this significantly contributes to its competitiveness and performance. Resources include organizational processes, assets, information and knowledge as well as attributes that help the organization to develop and implement strategies to improve its efficiency, effectiveness, image, awareness and quality of services or products. If utilized appropriately, these resources help an organization to achieve and maintain a competitive advantage, in the long run (Hitt, Carnes & Xu, 2016).

Oil marketing companies have a wide range of resources that include petrol stations, storage tanks and human resource among others. Other resources include corporate brand, technological equipment and range of products. These resources play major role in enhancing retail distribution of oil products in oil marketing companies.

Empirical Review

Retail Network Expansion

Expansion strategies are used to expand firms' operations by adding markets, products, services, or stages of production to the existing business. The purpose of expansion is to allow a company to expand geographically (Swensrud, 2013). Any company's strategic emphasis is increasing sales volumes, boosting market share and cultivating a loyal clientele. The natural sequence for geographical expansion is local to regional to national to international. The degree of penetration will however differ from area to area depending on the profit potentials (Dahlstrom & Nygaard, 2011).

Illueca, Pastor and Tortosa-Ausina (2009) carried out a study on the effects of geographic expansion on the productivity of Spanish savings banks. The study used data from 1992 to 2004, the period when most savings banks expanded geographically. The results indicated that banks that expand geographically outside their natural markets achieve greater productivity gains. However, there are some firms for which this result is more moderate. In contrast, lower increases in productivity were found in savings banks that expand on a nationwide basis, or that confine their territorial expansions to their traditional markets.

Bernini and Brighi (2012) carried out a study on the effects of geographical expansion strategies on the Italian minor banks' efficiency. In Italy, the restructuring activity in the banking sector has involved a geographic expansion of the financial organizations to other municipalities within the home province or into other provinces, any of which may be considerable distances away. Minor banks were ensuring growth through geographically expansion in the attempt to increase their market power and margins. The study used an unbalanced panel of Italian banks over the period 2006-2009. The results suggested that geographical dimension measured by the distance between local branches and the headquarter significantly affects cost efficiency and the competitiveness of the whole organization.

In Kenya, Chege (2014) carried out a study on branch expansion strategy adopted by Nakumatt Holdings Limited to gain competitive advantage. The study involved collecting primary data from face to face interviews with five senior managers in the retailer using an interview guide and secondary data collected from newspapers, the internet and review of internal documents. The results indicated that Nakumatt expansion strategy is part of building its competitive advantage and the Nakumatt 2.0 strategy entails registering a Pan African presence targeting to open branches in new markets including Nigeria, Gambia, Zimbabwe, Botswana and Malawi. Key consideration in opening new branches is the penetration level of retail in a new market.

Mutuma (2013) carried out an investigation of the effects of expansion strategies on the performance of commercial banks in Kenya. The study used a descriptive research design. The target population was all the staff working in the headquarters of commercial banks in Kenya. The results indicated that market penetration had the highest effect on performance followed by diversification and market development. The study also found that diversification expansion strategies had great effect on the performance.

Further, Onyonka (2013) conducted a study on expansion strategies and performance of commercial banks in Kenya. The main purpose of the study was to determine if there was a link between expansion and performance. The target population was the entire population of commercial banks in Kenya. The study established that to gain sustainable growth and achieve economies of scale, banks were embracing expansion strategy as key competitive strategy. From the study it is clear that expansion strategy is one of the strategies applied by banks in Kenya and has a positive effect on performance.

Competitive advantage

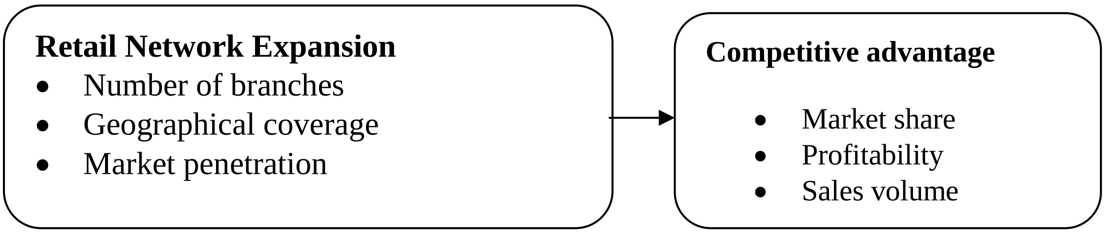
Competitive advantage is the ability to earn returns on investment consistently above the average for the industry. This therefore means that competitive advantage can be achieved if the firm implements a value-creating strategy that is not simultaneously being implemented by any current or potential competitors. This can be interpreted to mean that sustained competitive advantage results from strategic assets; those that are internally controlled and permit the firm to formulate and implement strategies that expand its efficiency and effectiveness (Kilasi, Juma & Mathooko, 2013). Competitive advantage is thus not dependant, as traditionally assumed, on such bases as natural resources, technology or economies of scale, since these are increasingly easy to imitate. Rather, competitive advantage is, according to the resource base view, dependant on the valuable, rare, and hard-to-imitate resources that reside within an organization (Benrqya et al., 2014).

Competitive advantage can be measured in terms of profitability and market share. According to Oduol (2014), market share is the percentage of business or sales a company wields out of total business or sales by all competitors combined in any given market. The total available business is called market potential. There are two basic ways of stating market share figures, i.e. through percentage of sales or percentage of units. Market share is an indicator of how well a firm is doing against its competitors (Wambua et al., 2014). According to Yan et al. (2011), market share is a key indicator of organizational competitiveness as it shows how an organization is doing against its competitors. Organizations with high market shares often have a greater competitive advantage than those with lower market shares. Profitability is the ability of an organization to make profits. A profit is considered to be the revenue a company generates after paying for all expenses directly related to the generation of revenue (Olouch, 2009). This is measured by use of return on equity and return on assets. Ndung'u (2012) have argued that high returns enjoyed from having a high market share are counterbalanced by a correspondingly high price paid earlier to acquire that market share. Profit maximization is the long run or short run process that a firm uses to determine product prices and output level that returns the greatest profit. An organizations profit is its total revenue (TR) minus total cost (TC). Cost incurred can be classified into variable costs and fixed costs (Chege, 2014). These costs include the cost of advertising cost and cost of attracting customer. An organization can reduce its total cost by improving its customer based brand equity. A reduction in total cost will subsequently lead to an increase in an organization's profitability (Wahid, 2009).

Conceptual Framework

A conceptual framework is defined as a network of linked concepts. In addition, a conceptual framework is based on the identification of key concepts and the relationships among those concepts. This study seeks to investigate the association between of retail network expansion (independent variables) and the competitive advantage of oil marketing firms in Kenya (dependent variable). The dependent variable was the competitive advantage of oil marketing firms.

Figure 1: Conceptual Framework



Independent variables

Dependent variable

Research Methodology

This study used a descriptive research design. Descriptive research involves obtaining information about a current status of a phenomenon in order to describe 'what exists' in relation to conditions and variables in a situation (Greener, 2008). In addition, a descriptive approach was used because it is able to collect accurate data on and provide a clear picture of the phenomenon under study. The target population of this study was all the staff working at the headquarters of Vivo Energy. This excluded all the support staff like drivers, caretakers and cleaners. The managers of the 9 petrol stations in Nairobi County were treated as the key informants.

Target population

Stratified random sampling technique was used to select 50% of the target population. Greener (2008) indicates that a 50% of the sample should be used for a population of between 100 and 500 (100<N<500). The strata in this study were the various categories of respondents i.e. the customers and the staff. The main advantage with stratified sampling is how it captures key population characteristics in the sample. Since the managers are only 9, they were all interviewed in the study. The sample size of the study was therefore 55 staff and 9 managers of shell petrol stations in Nairobi County.

Table 1: Sample Size

Department	**Target population**	**Sample Size**
Marketing	23	12
Supply chain Management	43	22
Finance	23	12
Customer service	21	11
Petrol Station managers	9	9
Total	**119**	**64**

This study used both primary and secondary data. Secondary data on the other hand is the data that has been previously collected and has undergone a statistical process. Secondary data will be collected from the financial statements and the strategic plan of Vivo energy. To collect primary data, this study used semi-structured questionnaires and key informant interview guides. The structured questions were used in an effort to conserve time and money as well as to facilitate an easier analysis as they are in immediate usable form. On the other hand, the unstructured questions were used as they encourage the respondent to give an in-depth and felt response without feeling held back in revealing of any information.

A pre-test was conducted in an effort to identify and rephrase any ambiguous, misinterpreted or misunderstood questions. The pre-test was conducted in Gulf energy as it has a similar environment. The pre-test group was sampled randomly and comprised of 10% of the sample size. This study improved content validity by consulting individuals such as the supervisors who are experts in the current area of study. Additionally, face validity of the research was improved by use of the pre-test and making clear all the ambiguous and unclear questions.

Data reliability was measured using internal consistency. Cronbach's alpha is a measure of internal consistency. A cronbach's alpha (α) of more than 0.7 is considered acceptable while a Cronbach's alpha (α) of less than 0.7 is considered questionable. From the findings, retail network expansion had a Cronbach's alpha of 0.782, franchising had a Cronbach's alpha of 0.712, logistics outsourcing had a Cronbach's alpha of o.873, convenience retaining strategy had a Cronbach's alpha of 0.852 and competitive advantage had a Cronbach's alpha of 0.792. These findings show that Cronbach's alpha for all the variables was able 0.7 and hence the research instrument was reliable.

Table 2: Cronbach's alpha coefficients

Construct	Cronbach's alpha	No of items
Retail network expansion	0.782	3
Franchising	0.712	3
Logistics outsourcing	0.873	4
Convenience retaining strategy	0.852	4
Competitive advantage	0.792	3

Quantitative data was analyzed by use of both descriptive and inferential statistics by use of statistical package for social sciences (SPSS version 22). Descriptive statistics such as frequency distribution, percentages, measures of central tendencies (mean) and measures of dispersion (standard deviation) were utilized to analyze quantitative data. The data was then presented in tables and graphs. Additionally, correlation analysis and multivariate regression analysis was used to establish whether there is a relationship between the dependent and the independent variables. The study applied a 95% confidence level. A 95% confidence interval indicates a significance level of 0.05. This implies that for an independent variable to have a significant influence on the dependent variable, the p-value ought to be below the significance level (0.05).

The regression model was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Whereby;

Y = Competitive advantage

B_0 = Constant

β_1 =Coefficients of determination

X_1 = Retail network expansion

ε = Error term

Research Findings and Discussions

The sample size of the study was therefore 55 staff and 9 managers of shell petrol stations in Nairobi County. Out of the 64 (54 staff and 5 managers) respondents 59 responses were obtained. This gives a response rate of 92.18%. As indicated by Kothari (2004) a response rate of 50% or more is adequate for analysis, which shows that 92.18% was an acceptable basis for drawing conclusions.

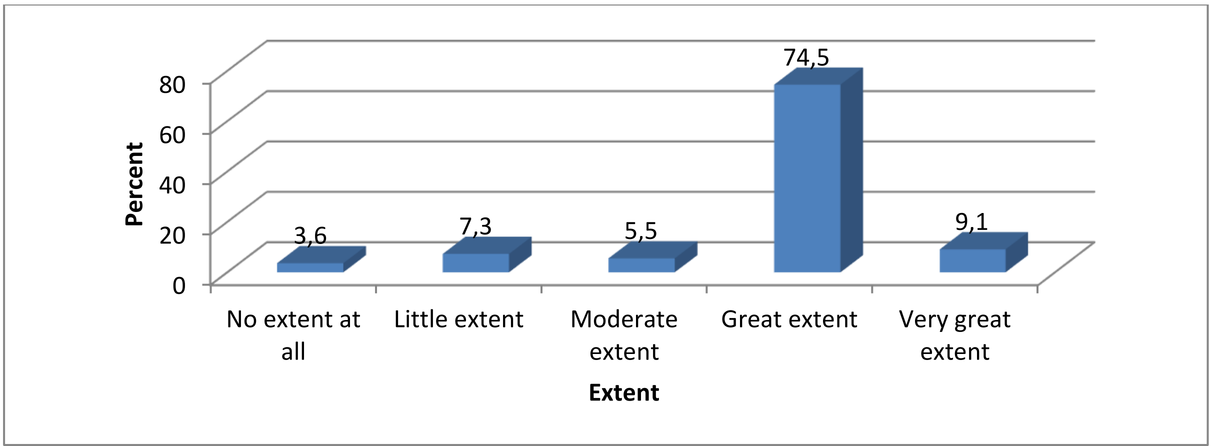
Number of Branches and Decision to Increase the Number of Outlets

The respondents indicated that Vivo energy had 169 branches all over the country. This was supported by interviewees (petrol station managers). The respondents were asked to indicate what informs the decision to increase the number of outlets. From the findings, they indicated that growth prospects in the country inform management's decision to exploit this opportunity. Other reasons include the need to increasing network coverage and volume growth.

Retail Network Expansion Strategy and Competitive Advantage

The respondents were also asked to indicate the extent to which retail network expansion strategy influences the competitive advantage of Vivo energy. The responses were as indicated in figure 2.

Figure 2: Retail Network Expansion Strategy and Competitive Advantage



According to the findings, 74.5% of the respondents indicated that retail network expansion strategy influences the competitive advantage of Vivo energy to a great extent, 9.1% indicated to a very great extent, 7.5% indicated to a moderate extent, 5.5% indicated to a little extent, and 3.6% indicated to no extent at all. This shows that retail network expansion strategy influences the competitive advantage of Vivo energy to a great extent. These findings agree Swensrud (2013) findings that geographical expansion plays a significant role in the sales volume of a company. These findings also agree with Illueca, Pastor and Tortosa-Ausina (2009) findings that Spanish banks that expand geographically outside their natural markets achieve greater productivity gains.

Aspects of Retail Network Expansion Strategy

The respondents were asked to indicate the extent to which various aspects of retail network expansion strategy influence the competitive advantage of Vivo energy. Where 5 represents very great extent, 4 represents great extent, 3 represents moderate extent, 2 represents low extent, 1 represents no extent at all.

Table 2: Aspects of Retail Network Expansion Strategy

	1	2	3	4	5	Mean	Std. Deviation
Number of branches	1.8	7.3	7.3	70.9	12.7	3.854	.803
Geographical coverage	0.0	1.8	12.7	65.5	20.0	4.036	.637
Market penetration	0.0	7.3	18.2	65.5	9.1	3.763	.719

From the findings, the respondents indicated with a mean of 4.036 that Geographical coverage influences the competitive advantage of Vivo energy to a great extent. These findings concur with Bernini and Brighi (2012) argument that geographical expansion strategies affect the Italian companies' efficiency and sales volume. These findings also agree with Bernini and Brighi (2012) argument that geographical dimension measured by the distance between local branches and the headquarters significantly affects cost efficiency and the competitiveness of the whole organization. In addition, the respondents indicated with a mean of 3.854 that number of branches influences the competitive advantage of Vivo energy to a great extent. Also, the respondents indicated with a mean of 3.763 that market penetration influences the competitive advantage of Vivo energy to a great extent. These findings agree with Mutuma (2013) findings that to gain sustainable growth and achieve economies of scale, commercial banks were embracing expansion strategy as key competitive strategy in enhancing market penetration.

Influence Retail Expansion Strategy on the Competitive Advantage

The respondents were asked to indicate how retail expansion strategy influences the competitive advantage of Vivo energy. According to the findings, they indicated that expansion of the retail network in VEK significantly influences the competitive advantage of VEK. Retail presence in the country generates at least 50% of VEK revenues and is a sure fire way of increasing average monthly and yearly throughput for the firm. Having such a presence therefore increases top of mind awareness among consumers consequently generating competitive advantage for the firm. In addition, they indicated that retail expansion or growth enables the company to have a wider reach and thus access to more customers within the country. This also enables the company to be able to win tenders for supply of fuel especially card customers with a wider network coverage. The petrol station managers also indicated that retail network expansion has led to market share dominance and vivo has toppled total Kenya as the market leader in retail fuel business, Kenya

Competitive Advantage

The respondents were asked to indicate the extent to which the use of retail distribution strategies influences the measures of the competitive advantage in Vivo energy.

Table 3: Measures of the Competitive Advantage in Vivo Energy

	1	2	3	4	5	Mean	Std. Deviation
Market share	0.0	0.0	10.9	43.6	45.5	4.345	.672
Profitability	0.0	0.0	7.3	40.0	52.7	4.454	.632
Sales volume	0.0	1.8	3.6	45.5	49.1	4.418	.658

From the findings, the respondents indicated with a mean of 4.454 that retail distribution strategies influence the profitability of Vivo energy to great extent. In addition, the respondents indicated with a mean of 4.418 that retail distribution strategies influence the sales volume of Vivo energy to great extent. Further, the respondents indicated with a mean of 4.345 that retail distribution strategies influence the market share of Vivo energy to great extent.

Correlation Analysis and Regression Analysis

The study used both correlation analysis and regression analysis to investigate the association between the independent variables and the dependent variable. Table 4.7 presents the summary of the descriptive statistics and analysis of results.

Table 4. 1: Summary Statistics, Correlations and Results from the Regression Analysis

Variable	Mean	Std	Correlation with competitive advantage	Multiple regression weights	
				P-value	β
Competitive Advantage	4.406	0.654			1.496
Retail Network Expansion	3.884	0.720	.753**	0.000	0.753

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

The results show that retail network expansion is positively and significantly correlated with the competitive advantage of Vivo energy (r=0.799). The multiple regression model with the four independent variables produced R^2 =0.659, $F (4, 50) = 102.371$, $p <0.05$. This implies that retail network expansion can explain 75.5% of the dependent variable (competitive advantage of Vivo energy). In addition, the regression model is a good fit for the data and hence can be used in predicting the influence of the independent variables on the dependent variable.

$Y= 1.496 + (0.753X_1)$

From the findings, retail network expansion has a positive influence on the competitive advantage of Vivo energy as shown by a regression coefficient of 0.753. This implies that a unit increase on retail network expansion would lead to a 0.753 improvement in the competitive advantage of Vivo energy. These finding concur with Illueca, Pastor and Tortosa-Ausina (2009) findings that retail network expansion influences the competitive advantage of Spanish savings banks. The findings are also in line with Chege (2014) findings that branch expansion strategy helped Nakumatt Holdings Limited to gain competitive advantage.

Summary of the Findings

The study found that Vivo energy had 169 branches all over the country. The decision to increase the number of branches over the years is informed by growth prospects in the country inform management's decision to exploit this opportunity. Other reasons include the need to increasing network coverage and volume growth. The study also found that the retail network expansion strategy influences the competitive advantage of Vivo energy to a great extent. The study revealed that geographical coverage influences the competitive advantage of Vivo energy to a great extent. In addition, the study found that number of branches influences the competitive advantage of Vivo energy to a great extent. Geographical dimension measured by the number of branches significantly affects cost efficiency and the competitiveness of the whole organization. Also, the study found that market penetration influences the competitive advantage of Vivo energy to a great extent.

Retail Network Expansion increases top of mind awareness among consumers consequently generating competitive advantage for the firm. In addition, retail expansion or growth enables the company to have a wider reach and thus access to more customers within the country. This also enables the company to be able to win tenders for supply of fuel especially card customers with a wider network coverage.

Conclusion and Recommendations

The study concludes that retail network expansion has a significant influence on the competitive advantage of Vivo energy. Therefore an improvement in retail network expansion would lead to an improvement in the competitive advantage of Vivo energy. The findings are also in line with Chege (2014) findings that branch expansion strategy helped Nakumatt Holdings Limited to gain competitive advantage.

The study found that expansion of branch network influences competitive advantage of Vivo Energy. The study recommends that Vivo Energy should seek to increase its branch network even more. In addition, they should focus more on areas lacking fuel stations, upcoming residential areas and developing cities.

Areas for Further Studies

This study was limited to Vivo Energy in Kenya and hence its findings cannot be generalized to other oil marketing companies in Kenya. The study suggests further studies on the einfluence of retail network expansion on the competitive advantage of oil marketing firms in Kenya. The study should include other oil marketing firms in Kenya like Oil Libya Kenya Limited, Total Kenya Limited, KenolKobil, Hashi Energy, National Oil Corporation of Kenya among others. In addition, further studies should be conducted on the challenges facing the adoption retail distribution strategy in Vivo Energy in Kenya.

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UNDERSTANDING CORPORATE REPUTATION THROUGH SATISFACTION IN EMERGING MARKETS

Karla Barajas-Portas, Enrique Marinao Artigas, Leslier Valenzuela Fernández & Carolina Nicolás Alarcón

Abstract
The hypermarket industry presents a strong competition, the consumer satisfaction and corporate reputation are two of the most important topics in order to improve or maintain market share. The hypotheses proposed in our research model are tested on a sample of 964 hypermarket consumers in Chile and Mexico. We test the predictive path for corporate reputation, considering as an antecedent the consumer satisfaction and hedonic, symbolic and affective benefits. The partial least squares structural equation modelling (PLS-SEM) approach was used to test the research model. In order to assess the moderating effects of cultural behavior between two emerging markets, Chile and Mexico, we adopt a multi-group approach. Our findings indicate that exists a cultural difference between Chilean and Mexican hypermarket consumers on the effect of hedonic benefit on satisfaction.

Keywords: *Reputation, Satisfaction, Perception, Multi-Group Analysis, Emerging Markets*

1. Introduction

In recent decades Latin America has been the target of a process of global expansion of hypermarket format, applies to retail stores with more than 4,000 m2. Socioeconomic, such as rapid urban growth factors, increasing revenue, improving national infrastructure and the entry of women into paid work have allowed countries such as Mexico and Chile are the main actors of this new dynamics retail market (Delgado 2015; Coleman, 2004). Strong competition because of this transformation has led to major retailers face daily the challenge to maintain or increase their respective market shares. On the understanding that it is one of the most sensitive factors for the consumer, when choosing where to buy, hypermarkets, are characterized by care to maximize their corporate reputation. From the point of view of business management, corporate reputation is a result of the trust placed by the customer to the company (Walsh et al., 2009) and their perception of familiarity with it (Yang, 2007). Similarly, it is the result of the experience of the consumer (Shamma & Hassan, 2009) and their perception of quality of products and services purchased (Wang, Lo & Hui, 2003). It is a direct result of the commitment expressed by the client to the business (Dehghan et al., 2014), their level of attractiveness and corporate performance (Schwaiger, Sarstedt & Taylor, 2010). Likewise, it has been argued that corporate reputation can be the result of cognitive, emotional and symbolic evaluation by the customer (Cian & Cervai, 2014) and may also be a consequence of brand personality (Vila- López & Rodríguez-Molina, 2013). Brand management literaturesuggested that corporate reputation can be a direct

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consequence of functional, hedonic and symbolic perceived value (Jones, 2000).

In this line, although consumer satisfaction can be also an important antecedent of corporate reputation (Saeidi et al, 2014. Selnes, 2013), no less important it is that turn such satisfaction may be a consequence of the corporate business reputation (Jin, Park & Kim, 2008; Loureiro & Kastenholz, 2011; Helm et al, 2010;. Helm et al, 2009;. Helm, 2006; Wallin, 1994). Even more has been argued that there is a high correlation between corporate reputation and consumer satisfaction (Walsh, Dinnie & Wiedmann, 2006). However, despite this trend and findings in developed markets, we propose that in emerging markets, consumer satisfaction is a relevant precedent of corporate business reputation. In addition, we suggest that consumer satisfaction is a consequence of the affective evaluation, symbolic benefit and hedonic benefit perceived of a brand. Similarly, specialized cultural analysis of nations (Hofstede, 1984), argues that despite being considered emerging markets, there are significant cultural differences between Mexico and Chile. We will test if there are differences in consumer behavior in hypermarket industry between the two countries using multi-group analysis.

2. Conceptual framework and hypotheses

2.1. Reputation

In the specialist literature on advertising it has been argued that the corporate reputation of a hypermarket can be gravitating to facilitate decision-making consumer buying (Graham & Fearn, 2005). And not only that, but also from the perspective of corporate communication business, corporate reputation is a dynamic concept, which needs time for its construction and management, which crystallized a perceived classification of a business compared to its rivals and that reputation will be different depending on the economic, social and personal context of the interest groups that evaluate (Gotsi & Wilson, 2001). Specializing in corporate reputation, literature has shown that its definition can be done through consideration as a business asset, or as an evaluation of it, or awareness by the consumer (Barnett, Jermier & Lafferty, 2006). However, for this study, it will be the latter perspective the basis for its definition, since, in the context of strategic management, corporate reputation can be defined as the perception of past actions and future prospects of company (Roberts & Dowling, 2002). Thus, it has been argued from the point of view of management that contribute to this perception, it is necessary to have special consideration for those internal components that make up the reputation of a company, for example, their ability to communicate, transparency, human values, treating its employees, its capacity for innovation, reputation of the CEO, adaptability to change, and management of social and environmental issues (Weiwei, 2007).

2.2. Satisfaction

In the research literature of operations, it has been argued that customer satisfaction is a standard of performance and excellence for business (Mihelis et al., 2001). On the other hand, the literature of marketing services, has shown that, on the one hand, satisfaction as a result of confirmation of expectations can be defined as "evaluative satisfaction", but also, in another sense, it is said that as a result of non-rational processes it can be defined as "emotional satisfaction" (Russell-Bennett & Rundle-Thiedle, 2004). In this regard and in line with the marketing approach, satisfaction can be considered as an emotional state that occurs as a result of customer interactions with the company over time (Verhoef, 2003). From this same perspective, satisfaction will have a positive influence on the post purchase behavior (Cooil et al, 2007) since it involves a general assessment after visiting a company. Customer satisfaction has not only been widely recognized as a determinant of retention (Verhoef, 2003), but also, as has been argued in the literature management business, it is an important history of profitability (Reichheld et al, 2000). On the other hand, it has been suggested from the point of view of marketing that satisfied customers exhibit greater resistance to price elasticity, thereby increasing the competitiveness of business, allowing enjoy reduced costs and a best reputation (Ganesh et al, 2000). Thus, from the perspective of innovative marketing for a customer, your satisfaction will be the result of experience with business services received (Mylonakis, 2009).

2.3. Affective Evaluation

It has been argued in the literature of services, the perception of the services received, will be different depending on the emotions felt (Mudie et al., 2003). From the point of view of marketing services, emotions can be defined as a feeling of physiological change. Thus, the consumer, while experiencing an emotion associated with a physiological change in your body, in response to their perceptions, is expected to then react to this emotion (Martin et al., 2008) using the expression their feelings (Crilly et al., 2004). Thus, from the perspective of business management, basic emotions provide information about the feelings of consumers through expressions of positive or negative affect (Laros & Steenkkamp, 2005). Nevertheless, from the approach of choice and quality of food, it has been relieved some emotional behaviors can be attitudes that include an evaluation component (eg I like meat) or emotions, which are short, intense and concentrated a benchmark (eg the comment made him angry) (King & Meiselman, 2010). From the area of consumer psychology, affective assessment describes a state of internal consumer sentiment toward an object, person or place (Cohen et al., 2008). In this sense, from the perspective of business management, this assessment will depend directly tangible stimuli received from the environment of use (Lee et al., 2008). However, from the standpoint of the theory of expected subjective pleasure, customers of a business when making decisions under risk, compare different alternatives depending on the associated pleasure expected and choose the bet with the highest average pleasure expected (Lipshitz & Shulimovitz, 2007).

2.4. Symbolic Benefit

From the point of view of business management, the symbolic benefit can contribute greatly to strengthening the relationship between customer and business, since it is associated with the underlying needs for social approval or personal and external expressions directed to self-esteem and basically it corresponds to the attributes unrelated products (Sondoh Jr. et al, 2007). The perceived symbolic benefit can be defined as one result of the care provided by the multiple components of "self-concept". Thus from the perspective of the psychology of people, individuals need to maintain their own identity, to improve their self-image, or to express (e. G. Beliefs, traits, personality) (Lievens & Highhouse, 2003). It is so, it has been argued in the literature of travel management that this "self-concept" is largely the result of evaluations of others, whether real or not and is composed of a variety of representations that each person you are attached to a particular set of social circumstances (Sirgy & Su, 2000). In this sense and from the marketing approach for food products, consumers look for in the market, those signals that allow you to connect with their social reference group (Wang, 2010). Specifically, it has been argued in the literature management services that the customer wait, as a tangible expression of symbolic benefit obtained as a result of their relationship with the company, both the prestige and exclusivity of the service received (Liang & Wen-Hung, 2004).

2.5. Hedonic Benefit

From the perspective of business management, the hedonic benefit perceived by the consumer can be defined as the result of that consumer experience that allows a certain degree of fun, entertainment, fantasy, excitement, motivation and sense enjoyment (Hanzaee & Khonsari, 2011). In this sense, from the point of view of marketing of financial services, as a complement to the physical facilities of a business, the advent of internet increased significantly hedonic benefits perceived by customers (Mäenpää et al., 2006). In fact, on the same line, it has been found that such hedonic experience helps the customer of a company to escape their routine (Garg et al., 2014). However, it has also been argued in the literature of consumer psychology, that the hedonic benefit may go beyond pleasure physiologically driven, since it could be perceived through psychologically pleasurable experiences (eg design, aesthetic factors) or only through the experience of consumption over possession of the product purchased, by contact with the environment of consumption, consumer interaction with the product or through the fulfillment of consumer expectations (Alba & Williams, 2013) . First of all, this argument has been endorsed in the literature of retail and customer service, where it has been argued that the perception of the treatment received by employees, as well as the perception of the services received in physical or virtual business branches depend hedonic benefits perceived by the customer (Allard et al., 2009).

3. Hypotheses:

Satisfaction – reputation:

It has been argued in the literature specialist in brand management and products that customer satisfaction can have a direct and positive effect on the reputation of the brand (Selnes, 2013). On the other hand, from the perspective of business management has been suggested that consumer satisfaction has a positive effect on the reputation of the company (Saeidi et al, 2015; Walsh et al., 2007). Idea has also been endorsed, literature management decisions, where it is suggested that customer satisfaction has a direct and positive effect on the reputation of a bank (Bontis, Booker & Serenko, 2007). So the satisfaction is achieved by a customer to visit hypermarkets could lead to improve the reputation of it. From this perspective, in the context of retail hypermarket, you may pose the following hypothesis:

H1. The higher the degree of customer satisfaction, the greater the reputation of the hypermarket.

Affective evaluation – satisfaction:

Specializing in ethical business management, literature has shown that emotions evoked by the company directly and positively influence customer satisfaction (Pérez & Del Bosque, 2015). This idea is consistent with the arguments in marketing literature, which states that the affective experience during the acquisition and consumption of a product or service, may have a meaningful influence on the judgment of satisfaction (Homburg et al., 2006). In the same vein, it has been suggested in the literature management business, the emotional reaction associated with the consumption experience is an important determinant of consumer satisfaction (Caro & Garcia, 2007). Similarly, it has excelled both, positive emotions, and negative tend to increase or decrease customer satisfaction. However, it is given that satisfaction is in itself a positive emotional state, positive emotions tend to be linked more strongly to consumer satisfaction that negative emotions (Lee et al., 2008). Thus, in the context of retail hypermarkets, it is possible to pose the following hypothesis:

H2. The better the affective evaluation made at the hypermarket, the greater the degree of satisfaction of the customer.

Affective evaluation – hedonic benefit:
It has been argued in the specialized business management literature that emotional evaluation at a department store directly influences the hedonic benefit received by the consumer (Babin & Attaway, 2000). Similarly, in the literature of retail and consumer services it has been stated that the affective evaluation at a department store will be a very important precedent of hedonic value perceived by the customer (Babin, Chebat & Michon, 2004). This has also been endorsed from the point of view of consumer behavior, where according to the findings, the emotional origin of the experiences of customer consumption, are determinants of hedonic benefit perceived the visit a department store (Holbrook & Hirschman, 1982). Thus a well hypermarket to be evaluated on an affective, help in obtaining the hedonic benefits perceived by the customer. Thus, it is possible to propose the following hypothesis:

H3. The better the affective evaluation made at the hypermarket, the better the hedonic benefit perceived by the customer.

Symbolic benefit – affective evaluation:
It has been argued in the specialized marketing the symbolic benefit perceived by the consumer is an important antecedent of emotional attachment to a brand (Malär et al., 2011) literature. On the other hand, the tourism and hospitality literature has shown that the symbolic social or social benefit ideally perceived by an individual has a positive effect on your emotional evaluation be it positive or negative (Han & Back, 2008). In the same vein, the findings in the literature of consumer behavior have shown that consumers prefer emotional stimuli in direct line with its symbolic benefit perceived consumer experience (Coleman & Williams, 2013). The symbolic benefit perceived by the customer could be an important precedent of the affective evaluation perform hypermarkets. From this perspective, it is possible to propose the following hypothesis:

H4. The better the symbolic benefit perceived by the customer, the better the affective evaluation made at the hypermarket.

Symbolic benefit – hedonic benefit:
From the point of view of marketing, the hedonic consumption may be a consequence of symbolic benefits perceived by the customer (Hirschman & Holbrook, 1982). In this regard it has been relieved in management literature consumer that symbolic signals could generate a multisensory consumer welfare (Solomon, 1983). In the same vein, from the perspective of the symbolic nature of consumer experiences they are an important antecedent of pleasure experienced by the customer in its consumption experience (Holbrook & Hirschman, 1982). The hypermarket who interprets the symbolic client signals, will help significantly to achieve the expected benefit hedonic when visiting a hypermarket. From this point of view, it is possible to suggest the following hypothesis:

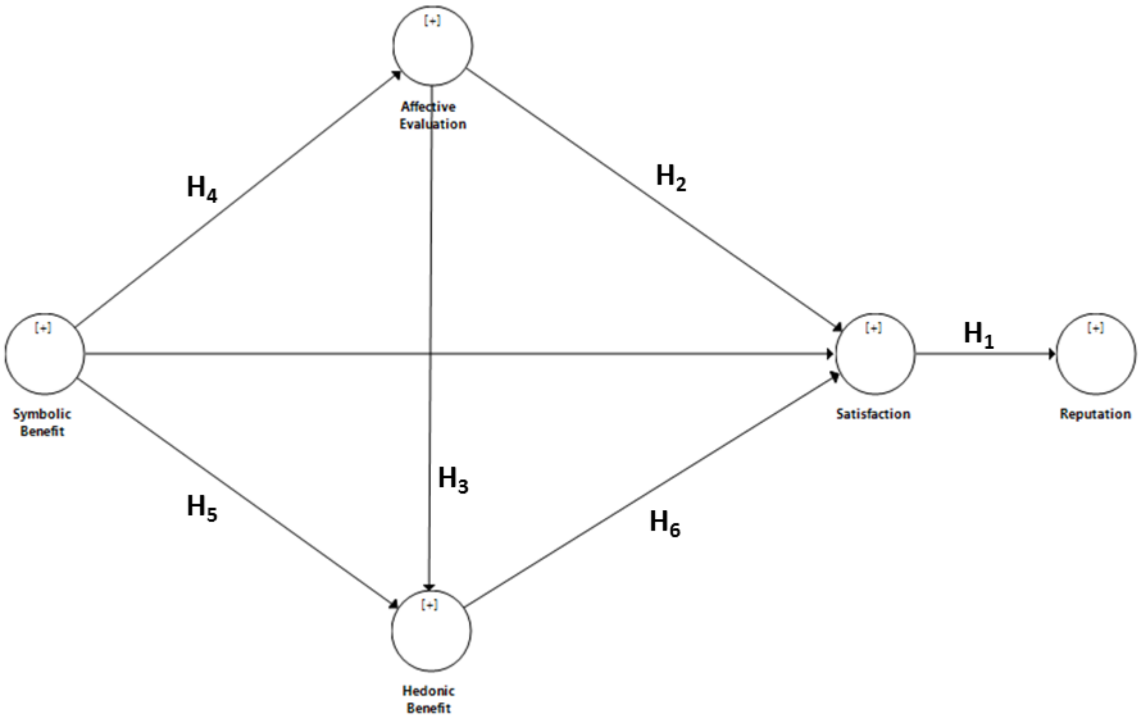
H5. The better the symbolic benefit perceived by the customer, the better the hedonic benefit perceived in the hypermarket.

Hedonic benefit – satisfaction:
In the specialized services marketing literature, it has been relieved that there is a significant positive effect on perceived benefit of hedonic customer satisfaction with the service received from a restaurant (Babin et al., 2005). Similarly, the business management literature has made it clear that the hedonic nature of the experiences of a consumer, are an important antecedent of satisfaction obtained by visiting a cinema (Ladhari, 2006). In the same vein, from the tourist point of view, it has been suggested that the

hedonic shopping experience of a customer determine their level of satisfaction when visiting a (Yuksel & Yuksel, 2007) mall. In this way, hypermarkets that have the attributes and components needed to improve the perceived hedonic benefits will achieve the desired satisfaction. In this sense, it is possible to suggest the following hypothesis:

H6. The better the hedonic benefit perceived by the customer, the greater the degree of satisfaction with the hypermarkets.

Figure 1: Conceptual Model



4. Research methodology

4.1. Sample and data collection

Data for this study were collected between october and december 2015 in Chile and Mexico. A non-probability sampling was used based on installments, proportion to the market share of the three major hypermarkets in Chile Jumbo, Líder y Tottus. These three hypermarkets hold the 88% market share. For Mexico we use the four major hypermarkets, Walmart, Superama, Comercial Mexicana and Fresko. The sample size was for Chile 707 and for Mexico 257. Among them, 38.8% were male and 61.2% were female.

4.2. Measures

The scales used for all the constructs are seven-point likert (1 strongly disagree, 7 strongly agree). All the measurements are reflective as in all prior literature. The survey was applied in spanish, therefore all the scales were traslated from the original english version. The final survey included 37 items, including demographic items and 25 items adapted from different scales described in the literature review as follows: affective evaluation (5 items), symbolic benefit (5 items), hedonic benefic (5 items), satisfaction (5 items), corporate reputation (5 items) .

5. Data Analysis and Results

Partial Least Squares (PLS), a component-based Structural Equation Modeling technique, was used to test the research model. PLS-SEM is suitable for analyzing complex models with predictive purposes (Chin, 1998). The statistical analysis tool was SmartPLS 3.2.4 (Ringle et al., 2015). The study evaluates the research model in three steps: first the outer model (measurement model), second the inner model (structural model), and finally the multigroup comparisson. The study then applies all of the resampling procedures (bootstrapping and blindfolding) to 5000 resamples (Hair et al., 2017).

Measurement model was evaluated in terms of reliability, convergent validity and discriminant validity of all the constructs. Table 1 shows reliability and valisity test. The outer loadings are higher than 0.70 except the item "Sim5" and all of them are statistically significant. The average variances extracted (AVEs) are higher than 0.5 for all of the constructs. Those tests indicate a high reliability for the indicators. The Cronbach's alphas and composite reliabilities for all of the constructs are higher than 0.90. According with Nunnally (1978) the minimum acceptable is 0.70 and according with Bagozzi & Yi (1988) is 0.6 respectively. Table 2 shows the discriminant Validity results. The Heterotrait-Monotrait (HTMT) ratios are all lower than 0.85 indicating satisfactory discriminant validity within the data (Henseler et al., 2015).

Table 1: Reliability and validity test for the complete data

Constructs		Indicators	Outer loadings	α	CR	AVE
Affective Evaluation	Afe1	When I come to this hypermarket, I feel very entertained	0.87			
	Afe2	When I come to this hypermarket, I feel very enthusiastic	0.89			
	Afe3	When I come to this hypermarket, my experience is very pleasant	0.85	0.94	0.94	0.77
	Afe4	When I come to this hypermarket, my experience is very happy	0.88			
	Afe5	When I come to this hypermarket, my experience is very energizing	0.90			
Symbolic Benefit	Sim1	This hypermarket gives me prestige	0.88			
	Sim2	This hypermarket gives me status	0.85			
	Sim3	This hypermarket reflects who I am	0.86	0.90	0.91	0.67
	Sim4	This hypermarket expresses my lifestyle	0.88			
	Sim5	This hypermarket is a social need	0.56			
Hedonic Benefit	Hed1	In this hypermarket I forget my problems	0.80			
	Hed2	In this hypermarket my experience is unique	0.83			
	Hed3	In this hypermarket I can make the most of my time	0.83	0.91	0.91	0.67
	Hed4	In this hypermarket I discovered what really matters to me	0.83			
	Hed5	In this hypermarket I escape from my routine	0.80			
Satisfaction	Sat1	I am generally very satisfied with this hypermarket	0.83			
	Sat2	I have had very satisfactory experience with this hypermarket	0.80			
	Sat3	I have made very significant achievements with this hypermarket	0.75	0.90	0.91	0.66
	Sat4	I am very satisfied with this hypermarket's conditions.	0.84			
	Sat5	I am very satisfied with this hypermarket because it gives perfect attention.	0.83			
Reputation	Rep1	This hypermarket has a very good reputation	0.88			
	Rep2	This hypermarket has a better reputation than other similar hypermarkets	0.81			
	Rep3	This hypermarket is greatly respected by people	0.89	0.94	0.94	0.77
	Rep4	People speak well about this hypermarket	0.92			
	Rep5	The good reputation of this hypermarket is supported by its history	0.88			

Table 2: Discriminant Validity. Fornell–Larcker criterion analysis and HTMT ratios

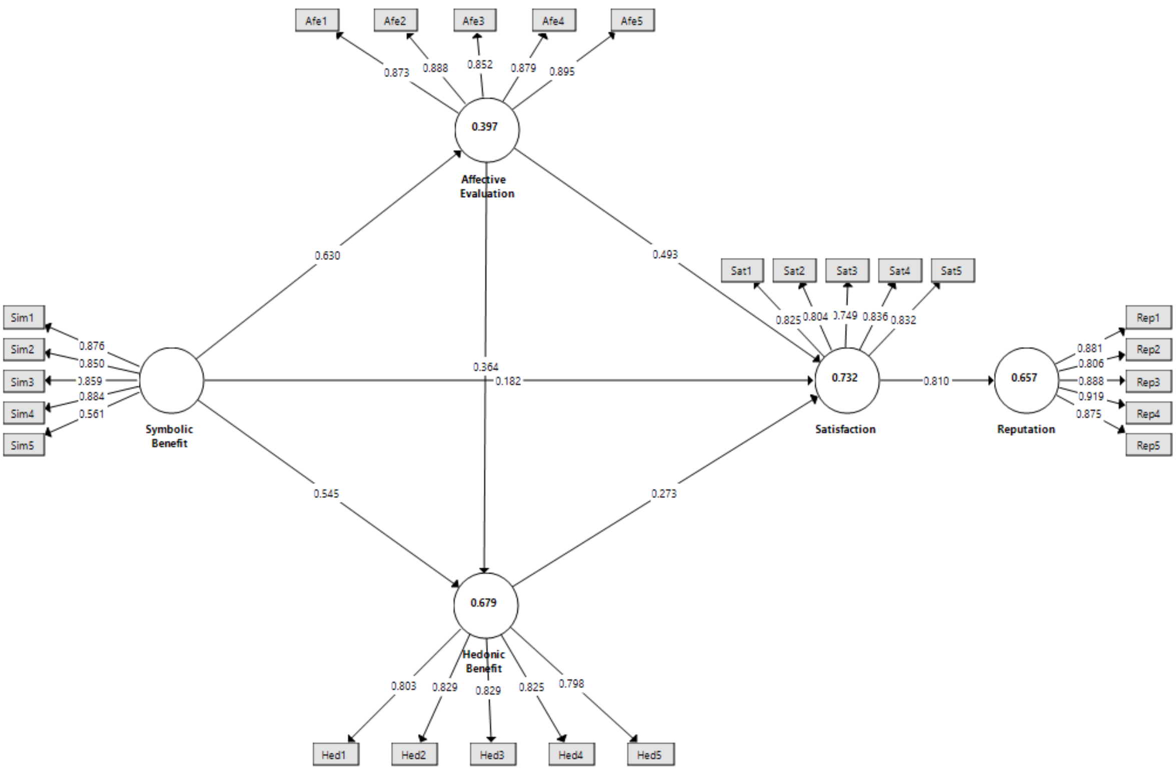
	Affective _Evaluation	Hedonic _Benefit	Reputation	Satisfaction	Symbolic _Benefit
Affective _Evaluation	0.88				
Hedonic _Benefit	0.71 (.71)	0.82			
Reputation	0.68 (.68)	0.55 (.55)	0.88		
Satisfaction_	0.80 (.80)	0.76 (.77)	0.81 (.81)	0.81	
Symbolic _Benefit	0.63 (.63)	0.77 (.78)	0.59 (.60)	0.70 (.71)	0.82

Note: HTMT ratios are in the parentheses.

The inner model results are shown in figure 2. The R2 is 0.397 for affective evaluation, 0.679 for hedonic benefit, 0.732 for satisfaction and 0.657 for reputation. This means that symbolic benefit moderately explains 39.7% of the affective evaluation; symbolic benefit and affective evaluation explain the 67.9% of hedonic benefit; symbolic benefit, affective evaluation and hedonic benefit, directly or indirectly highly explains 73.2% of satisfaction; and all those constructs explains via satisfaction the 65.7% of reputation.

The inner model suggests that the strongest effect of the model in satisfaction on reputation (0.810) followed by symbolic benefit on affective evaluation (0.630), symbolic benefit on hedonic benefit (0.545), affective evaluation on hedonic benefit (0.364), affective evaluation on satisfaction (0.493), hedonic benefit on satisfaction (0.273); and symbolic benefit on satisfaction (0.182). All the hypothesized path relationships result statistically significant using bootstrapping procedure (5000 subsamples). Thus we can conclude that symbolic benefit, affective evaluation, hedonic benefit are moderately strong predictors of satisfaction; and satisfaction is moderately strong predictor of reputation. In addition, to examine the predictive validity of the PLS path model, this study follows Hair et al. (2017) suggestion, using blindfolding procedure that calculated the cross-validated redundancy index (Q2) for endogenous constructs. The values of Stone–Geisser's Q2 are as follows: affective evaluation (0.280), hedonic benefit (0.431), reputation (0.454) and satisfaction (0.464). All of the dependent variables' Stone–Geisser's Q2 are larger than zero and therefore further confirm the model's predictive validity. The model fit results are the following: NFI 0.91 and SRMR 0.04 which are acceptable, so we can conclude that the model fit is satisfactory.

Figure 2: Structural model results



5.1. Multi-group analysis results

Multi- group Analysis (MGA) is used to determine if the PLS model significantly differs between groups (Garson, 2016). This method is a non-parametric significance test for the difference of group-specific results that builds on PLS-SEM bootstrapping results. A result is significant at the 5% probability of error level, if the p-value is smaller than 0.05 or larger than 0.95 for a certain difference of group-specific path coefficients. (Henseler, Ringle & Sinkovics, 2009). In addition, we report the Parametric Test, which assumes equal variances across groups and the Welch-Satterthwait Test that assumes unequal variances between groups.

Also we use a permutation test for a multi-group analysis (MGA) to detect the potential differences between Chileans and Mexicans. A permutation approach requires a similar sample in both groups (Chin & Dibbern, 2010; Sarstedt, Henseler, & Ringle, 2011). So we separated randomly the data in two samples with same size.

The results are shown in table 3, the effect between Hedonic Benefit and Satisfaction is 0.33 for Chile and 0.11 for Mexico, the same results for the bootstrapping path coefficients means. The difference across Chile and Mexico for this relation is 0.22 with a p-value for the MGA-PLS of 0.03, so we can conclude that exists significant differences between both groups. The significant differences are tested by four approaches, and in three of the four test evaluated are significant, except on the Welch-Satterthwait Test, where the p-value is 0.06. We can say that for Chilean people who buy at hypermarkets is higher the effect of the hedonic benefits in order to be satisfied with the shopping experience. This is the only relationship that presents significant differences across the groups.

Table 3: Path Coefficients Bootstrapping Results Multi-Group Analysis (MGA) and Permutation Algorithm

					PLS-MGA		Permutation test			
	Path Coefficients Original (Chile)	Path Coefficients Original (Mexico)	Path Coefficients Mean (Chile)	Path Coefficients Mean (Mexico)	Path Coefficients Diff (Chile - Mexico)	p-Value(Chile vs Mexico)	95% confidence interval	p-value	Parametric Test	Welch-Satterthwait Test
Affective Evaluation -> Hedonic _Benefit	0.37	0.37	0.37	0.37	0.00	0.49	[-0.14 ; 0.14]	0.96	0.98	0.98
Affective Evaluation -> Satisfaction	0.43	0.56	0.43	0.56	0.13	0.94	[-0.17 ; 0.17]	0.14	0.09	0.11
Hedonic Benefit -> Satisfaction	0.33	0.11	0.33	0.11	***0.22***	***0.02***	[-0.20 ; 0.19]	***0.03***	***0.02***	***0.06***
Satisfaction -> Reputation	0.77	0.77	0.77	0.77	0.00	0.47	[-0.08 ; 0.08]	0.95	0.48	0.52
Symbolic Benefit -> Affective Evaluation	0.57	0.60	0.57	0.60	0.03	0.68	[-0.11 ; 0.11]	0.63	0.65	0.66
Symbolic Benefit -> Hedonic Benefit	0.48	0.55	0.48	0.55	0.07	0.83	[-0.14 ; 0.13]	0.36	0.15	0.13
Symbolic Benefit -> Satisfaction	0.17	0.19	0.17	0.19	0.02	0.58	[-0.18 ; 0.19]	0.82	0.93	0.94

6. Conclusion and Implications

This study, according to our findings, in emerging markets, such as Mexico and Chile and in line with Saeidi et al., (2015), has shown that the greater the degree of satisfaction of the customer, the greater the hypermarkets reputation. Similarly, and in direct relation to the arguments of Caro & Garcia, (2007), we have confirmed that the better the affective evaluation performed at hypermarkets, the greater the degree of satisfaction of the customer. In the same manner and in accordance with Babin, Chebat & Michon, (2004), it has become clear that the better the evaluation made at hypermarkets affective, hedonic benefit is better perceived by the customer. Also, in line with Coleman & Williams, (2013), it has been possible to prove that the better the symbolic benefit perceived by the customer, the better the affective evaluation performed at hypermarkets. Also, under reference Holbrook & Hirschman (1982), has confirmed that the better the symbolic benefit perceived by the customer, the better the hedonic benefit perceived in the hypermarkets. And also following Ladhari, (2006), it has been able to corroborate that the better the hedonic benefit perceived by the customer, the greater the degree of satisfaction with the hypermarkets. At the same time, according to results obtained, it was possible to make clear through the jointly controlled methodology, there are differences in consumer behavior hypermarket between the two countries in the given relation between the hedonic benefit perceived by the consumer and satisfaction. Here, it was observed that, for the Chilean consumer compared to the Mexican consumer, is more significant hedonic perceived benefit in their consumer experience, as background to your satisfaction when visiting a hypermarket. However, despite also satisfaction is a consequence of the affective assessment and symbolic benefit perceived by the consumer, this finding is of vital importance because it allows to recognize that a differentiated management marketers of retail in both countries is necessary in after getting a better corporate reputation. If customer satisfaction is strengthened, corporate reputation is strengthened. Specifically, both in Mexico and Chile, as well as providing positive emotional experiences (eg spaces carnage with pleasant aromas) and experiences that support symbolic benefits positively perceived by the consumer (eg membership invitations) in Chile must place greater emphasis not only in the physiological pleasure consumer (eg design or aesthetic factors of sales rooms), but also in the consumption experience through contact with the environment and consumer interaction with the product or through compliance with consumer expectations (Alba & Williams, 2013). This virtuous circuit based on customer satisfaction as a consequence of the affective evaluation, the symbolic benefit and hedonic benefit received by the consumer will be the most efficient way to achieve strengthen corporate reputation hypermarkets in emerging markets, in this case Mexico and Chile.

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RETAILERS BENEFITS FROM MANUFACTURERS' BRANDS: A STUDY OF THE EGYPTIAN HYPERMARKETS INDUSTRY

Marwa El-Gebali

Abstract

The research primary objective is to explore the role that manufacturer's brand play in the retailer's satisfaction. A conceptual model of manufacturer's brand to retailers is tested in the Egyptian hypermarket's industry. The study sampled 102 products in 17 chains stores in the country, and also engaged the management of such business entities in a series of interviews during the data collection process. The study is the only one to include all Hypermarkets in a fast-growing emerging market like Egypt. A descriptive approach was utilized, during the data analysis process before the final presentation of the findings in various forms, including tables and figures. There is a dire need for the manufacturers to establish positive relationships not only with the retailers but also the end users to enhance satisfaction with their brands. The findings of the study affirm the fact that manufacturer's brand has profound influence on the retailer satisfaction. For instance, a hypothetical test on the satisfaction of the retailer with the product from manufacturer and trust relations affirmed positive outcome. Moreover, the findings of the study further revealed that retailer commitment to manufacturer's brand contributes significantly to the former's satisfaction. Lastly, retailer's assessment of in-store products is another issue that influences the retailer satisfaction. In a nutshell, there is a need for further research to assess the manufacturer's brand influence on retailers and end consumer, as well as other fundamental factors other than trust, commitment, and store assessment that may impact retailer satisfaction.

Introduction

The heightened competition in the global business market coupled with environmental challenges and inherent complexities in operations of supply chains present enormous challenges to the management of the supply chain across the globe (Pegell et al., 2004). The increased buying volume of large retailers in the retail industry has contributed significantly to the constant increase in their bargaining power. According to Farris and Ailawadi (1992), the retailers' buying power is attributable to the fact that a huge portion of the brands' revenue belongs to a small number of such retailers. The above issue implies that the retailers are capable of influencing the decisions of the end consumer as well as the manufacturers. Managers have a challenging role of understanding the manufacturers' brand and their role in customer evaluations and retail purchases of the retailers. The above factor is critical to the success of any venture in the highly competitively contemporary

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global market. According to Zboja and Voorhees (2006), powerful superstores have increasingly dominated the modern retail market, thereby minimizing the importance of brands witnessed in the past.

Previous studies cite profitability of manufacturers' brands as the underlying factor that makes them more important to the retailers. Notably, the brands play a significant role in building store traffic as well as being the "ingredient brands" (Ailawadi and Keller, 2004). However, the studies have placed much emphasis on the judgments of the retailers on the manufacturers rather than the brands. Leone et al. (2006) argue that the above factor has contributed to the lack of empirical evidence on the advantages associated with manufacturer brands, in particular for the intermediaries. The proposed research assesses the benefits of the brand model to retailers as suggested by Brodie and Motion (2012), with reference to the earlier work of Glynn et al. (2007). Recent researches have attempted to evaluate the impacts of manufacturer brands on the retailer satisfaction (Ruekert and Churchill, 1984; Biong, 1993). However, the paper focuses on the measurements of these benefits from a manufacturer's perspective.

Literature Review and Hypothesis Development

According to Kotler (1991), a brand is a name, term, sign, symbol, or design, or a combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitor" (p. 442). While the previous studies put much focus on the importance of manufacturer products to the final consumer, they ignored the value of the brands to the retailers as well as their significance in strengthening the manufacturer-retailer relationship (Tran and Cox, 2009).

There has been inadequate research on branding in the global business market, an area that started to witness expansion in the recent years. Saunders and Watt (1979) were among the first researchers to explore the area of the study mentioned above. According to the authors above, the aspect of branding appears unusual in the global business market, and that the phenomenon is not only ineffective but also confusing. Moreover, the retail buyer seems to lack adequate knowledge regarding the importance of brand equity. Tran and Cox (2009) note that powerful consumer brands provide not only excellent benefits to consumers and manufacturers but are also advantageous to the retailers.

Branding theory in the supply chain has a basis on the three-way relationship involving retailers, manufacturers, as well as the consumers (Webster, 2000). According to Webster (2000), there are several benefits to retailers accruing from the above relationship, including established consumer demand, a commitment by the manufacturers to promote their products, positive consumer attitudes towards the branded products in the store, as well as the positive image and credibility of the brand itself.

According to Tran and Cox (2009), retailers often put emphasis on the purchase of right products at the convenient time, at the best prices. The primary goal of the retailer in the transaction process is to maximize profits by selling the products to the end user (Fairhurst and Fiorito, 1990). In such respect, the retailers can only achieve profit maximization by stocking brands which not only fulfill the expectations of consumers but also offer satisfaction to the retailers about their business relationship with the manufacturer (Buchanan 1992). Managers within the food processing industry often receive benefits from suppliers in three categories, namely; product, promotion, and service-related components (Ulaga and Chacour, 2001). According to Rao and McLaughlin (1989), the decision by the retailer to engage in business operation often depends upon the marketing attributes as well as financial variables. On a similar note, Ruekert and Churchill (1984) also established a strong retailer-manufacturer link and the financial characteristics of the manufacturer. In such respect, it is notable that:

H1a. The monetary gains of the manufacturer's brand have a positive influence on the satisfaction of the retailer with the brand.

Past studies have delved into the manufacturers-retailers tie, including the aspects of trade promotions and cooperative advertising (Murry and Heide, 1998; Montgomery, 1975). Ruekert and Churchill (1984) also reiterated the significance of consumer brand advertising in strengthening the relationship between retailers and manufacturers. According to Duncan (2002), manufacturers also have the capability to influence the sales volume of brands in stores through various marketing initiatives. Manufacturers offer excellent support to the retailers through several initiatives, including the provision of information on the market trend, trade promotions, as well as advertisements (Glynn and Brodie, 2012). The above authors affirmed the acknowledgment by the retailers that manufacturers play a critical role in stimulating product category growth through the above strategies among other approaches. Gassenheimer and Ramsey (1994) affirm that the retailer satisfaction also hinges in the manufacturer product as well as the sales support offered by the manufacturer. The hypothesis above is satisfied at a significance level of 10%, where estimates affirm the retailer's satisfaction with moderate positive impacts from the financial paybacks.

H1b. The manufacturer's brand support has positive influences on the retailer's brand satisfaction

Webster (2000) argues that pre-established brand demand, the manufacturers' brands accord the retailers an opportunity to establish an effective customer relationship. The study also identified brand equity as one of the beneficial aspects of manufacturer brands to the retailer. Notably, quality products enabled the retailers to enhance their reputation, an issue that impacts favorably on the subsequent sales and general performance of such brands (Jacoby and Mazursky 1984). Porter and Claycomb (1997) assert that having a considerable amount of high valued products in a retailers' store enhances his store image, thereby increasing the performance of the business and subsequent profitability. Also, Verbeke et al. (2006) established that a manufacturers' brand of value is instrumental in influencing the retailer's shelf allocation as well as in-store promotional support. The aspect of the p-value in Table 2 rejects the above hypothesis, thereby depicting that there is no significant influence on the satisfaction of the retailer.

H1c. The customer's brand equity towards the brand of the manufacturer has positive influences on the satisfaction of the retailer with the brand.

The findings from the interviews ascertained the retailers' awareness about the customers' expectation on the availability of their favorite brands in-stores. In this respect, the retailer's stock their stores with appropriate brands to not only ensure availability of the required brands but also enhance the shopping experience of the clients (Buchanan et al., 1999). Several other studies affirm the retailer buyer choice is dependent on the satisfaction of the customer (Nilsson, 1977; Gagliano and Hathcote, 1994). According to Emerson and Grimm (1999), the satisfaction of a retailer hinges on the power of the customer. Thus:

H1d. The expectations of customers of the store on the manufacturer's brand has a positive influence on the satisfaction by the retailer.

Given the fact that the hypothesis is satisfied at the significant level of 5%, there is no alarm in suggesting that customer's store expectation has a substantial positive impact on the retailer's satisfaction.

Retailer Evaluations of Manufacturer Brands

The layout of a store as well as the promotional activities is central to the performance of a manufacture's brand. The activities mentioned above require retailer's commitment through adequate resource allocation. The interview results alluded to the fact that such endogenous constructs like in-store product performance, cooperation, and trust hinges on the satisfaction of the retailer. According to Kumar (1996), trust is an aspect of the business that enables retailers to utilize the manufacturer expertise and specialist investment effectively. Brand trust entails the feeling that retailers hold while interacting with the manufacturer brand. The trust may encompass the reliability of the brand supply, the expertise of the brand manufacturer, as well as the credibility of the marketing information shared by the brand manufacturer (Delgado-Ballester, 2002; Glynn, 2004).

Ganesan (1994) asserts that the cooperation between retailers and manufacturers depends primarily on mutual trust. The attractiveness of the manufacturer's brands only manifests when there are a stronger collaboration and vice versa (Kaufman et al. 2006). Similarly, Selnes (1998) affirmed that the retailer trust hinges strongly on the manufacturer satisfaction. Thus:

H2a. The retailer utility with the manufacturer's brand is affected positively by retailer's level of trust in the manufacturer's brand.

From the interviews, it is important to acknowledge the commitment by the retailers to the manufacturer brand, especially when it is successful. While satisfaction is a precursor of commitment, existing literature has often focused on the satisfaction of the retailer, not with the brand but the manufacturer. For instance, Selnes (1998) established that manufacturer commitment hinges greatly on higher satisfaction levels among the buyers. Similarly, Biong (1993) uncovered a link between the satisfaction of the retailer and the loyalty and brand of the manufacturer. The hypothesis is satisfied at 1% significance level. Thus it is to note that retailer can only achieve satisfaction when there is mutual trust.

H2b. Retailer level of satisfaction with the brand of the manufacturer has a positive relationship with the retailer's level of commitment that brand.

The satisfaction of the hypothesis occurs at 1% significance level; a positive correlation is admissible between the engagement of the retailer and their satisfaction with the brand. The findings from the interviews reiterated that retailers often utilize retail outlets and not such manufacturer measures like market share to assess the brand performance. Frazier et al. (1989) defined the performance of the manufacturer by how well they pursue their functions. Jap (1999) also established a relationship between retailer performance and supplier investments. On a similar note, Kumar et al. (1992) also attributed the performance of the brand to the satisfaction of manufacturer with the retailer. Therefore, the hypothesis alludes to the connection between product performance and retailer satisfaction.

Figure 1 brand satisfaction model

H2c. Retailer level of satisfaction with the brand by manufacturer has a positive relationship with retailer's assessment.

The satisfaction of the above hypothesis occurs at 1% significance level, thus, the satisfaction of the retailer is positively related to brand as well as his assessment of in-store performance of the brand.

Methodology

The study was conducted in the context of Egyptian independent retail grocery sector. The choice of Egypt as the study area hinges on the fact that irrespective of its attractive market to the manufacturers, there is limited research on branding in the Egyptian context. The retailing industry is flouring in the country, with a global ranking of 13th about the most attractive retail market (Ramzy and James, 2011). Consumer survey (2010) reveals that Egypt is not only one of the most promising markets but also the fastest expanding in its region. The country became position fifteen in the world retail ranking 2009 (Ramzy and James, 2011).

The study adopted a descriptive research, involving the use of interviews to acquire relevant data for the research. Notably, the study utilized a sample size of 102 product evaluations by 17 different chains in Cairo, Giza, and Alexandria. Besides, the study used hypermarkets in Egypt with a minimum of 2 branches in the country. It is also important to mention that the researcher engaged the store or purchasing managers in a 20-30 minutes interview during the data collection process. Products categories chosen for the study included shampoo, tea, and tomato paste due to their common nature almost in all supermarkets. The data collection process took six months, between January and June 2016.

Results and Analysis

The study analyzed and estimated the structural equation model (SEM) using the R - Program (3.3.2). SEM is a hybrid statistical technique often used by researchers to build and test statistical models (Kwiatkowski et al. 2000). It addresses multiple equations simultaneously and encompasses such special aspects of SEM like regression and path analysis, as well as confirmatory factor analysis (Kwiatkowski et al., 2000). Studies demonstrate that the structural equation model is often ideal in analyzing data from social science studies due to its effectiveness in imputing the relationship between latent variables and observed variables (Kwiatkowski et al., 2000). The study tested the effects of the exogenous constructs on endogenous constructs through a mediating variable as shown in the path diagram (Kwiatkowski et al., 2000). By designing a SEM model on R-program, the researcher managed to assess the causal relationship through two ways. First, the study evaluated the relationship described above through reporting the standardized estimates between exogenous and endogenous constructs, and, second, it achieved through validating the model's significance and goodness of fit. The study estimated the standardized path coefficients using diagonally weighted least squares (DWLS) estimation method because the data for the study is not measurable on a continuous scale. Instead, the researcher utilizes the Likert-type rating scales as well as the dichotomously scored multiple choice items to do so, and, thus, DWLS estimation method was ideal for handling the categorical data as seen in the research (Bandalos, 2014). Finally, the study measured the model fit by different incremental fit indexes, including comparative Standardized Root Mean Square Residuals (SRMR), etc. The researcher used the IBM-SPSS (21) software to analyze the validity of the dataset. SPSS is a powerful software used by researchers to address several business and research problems through hypothesis testing, ad-hoc analysis, and reporting. It does facilitate not only easier access and management of data but also selection and performance analysis among other research-based activities. The researcher evaluated how reliable is it to use Cronbach's alphato construct, depending on the relationship between the item and total aspects. The researcher eliminated the items causing low Cronbach's α value (less than 0.7) from the construct of the latent (unobserved variable). The study accepted the level of internal consistency of each construct at Cronbach's alpha ranging between 0.707 and 0.808, thus exceeding the acceptable value as presented in Table (1) (Santos, 1999). Additionally, the study verified the convergent validity of the measurement model; with CR values ranging between 0.736 and 0.919 for the constructs using the average variance extract (AVE) and construct reliability (CR). The average variance extract gave values exceeding the minimum criterion of 0.5 for all constructs, except for Customer's Satisfaction with a value of 0.47. As a result, there was a verification of the convergent validity, and finally, the standardized loadings of the measurement items (observed variables) also affirmed the convergent validity by having significant values ranging between 0.46 and 1. The researcher tested the correlations among the observed variables, with variables constructing "brand equity" in the attempt to assure the discriminant validity of the measurement model. Notably, the issue above differs significantly from those constructing "customer's expectations" as presented in table (x). All measurements results are satisfactory, therefore the need to evaluate the structural model.

Structural Model

Table (3) presents the appropriateness of the data and the structural model, with a significant χ^2 value. Since the χ^2 measurement is responsive to sizeof the sample, there is need to depend on normed χ^2 value, usually calculated by dividing χ^2 value with its degrees of freedom, given a value of 1.55 meets the acceptable range (Jalilvand and Samiei, 2012). CFI and TLI measurements reported a value greater than their cut-off point of 0.90 or higher (Hu and Bentler, 1999; Hooper et al., 2008) with values of 0.942 and 0.932 respectively, giving an indication of having a good model fit. RMSEA = 0.076 met the proposed criterion of having a reasonably well-fitted model by having an RMSEA value ranging between 0.05 and 0.08 (McCallum et al., 1996). SRMR is the only fit index that did not indicate a good model fit. However, it is attributable to the lack of a reasonably large sample size.

Table (1): properties of construct/ latent variable

Construct/ Latent Variable	Item/ Observed Variable	Standardized loadings	Cronbach's alpha
Financial benefits (CR=0.848, AVE=0.736)	X3	0.83	0.827
	X4	0.885	
Manufacturer support (CR=0.910, AVE=0.789)	X6	0.671	0.708
	X7	0.633	
	X8	1.231	
Brand equity (CR=0.822, AVE=0.563)	X12	0.9	0.707
	X13	0.464	
	X14	0.477	
	X15	1.001	
Customerexpectation (CR=0.819, AVE=0.609)	X17	0.574	0.729
	X18	0.844	
	X19	0.889	
Satisfaction (CR=0.776, AVE=0.47)	X20	0.677	0.769
	X22	0.763	
	X23	0.522	
	X24	0.749	
Trust (CR=0.866, AVE=0.767)	X25	0.758	0.718
	X26	0.979	
Cooperation (CR=0.770, AVE=0.532)	X28	0.609	0.734
	X29	0.699	
	X30	0.859	
Dependence (CR=0.821, AVE= 0.617)	X31	0.566	0.708
	X32	1	
	X33	0.729	
Commitment (CR=0.793, AVE=0.657)	X34	0.846	0.808
	X35	0.773	
Performance (CR=0.919, AVE= 0.699)	X37	0.862	0.855
	X38	0.923	
	X39	0.575	
	X40	0.756	
	X41	1	

CR= Construct Reliability, AVE= Average Variance Extracted.

Table 2 highlights a relationship between the latent variables. It is notable that only manufacturer support and brand equity on customer's satisfaction did not give a significant relationship with a high p-value. Monetary gain and customer expectations reveal a moderate and a robust significant positive impact on customer's satisfaction ($\beta = 0.281$, p<0.10, and $\beta = 0.82$, p<0.05), respectively. Additionally, end user satisfaction strongly affects trust, cooperation, dependence, commitment, and performance constructs with standardized estimates ranging between (0.513 and 0.867).

Table (2): Diagonally weighted least squares estimates for research model.

Exogenous variable	Endogenous variable	Estimates	Standardized Estimates	Standard Error	P-value
Financial advantages	***Satisfaction***	0.18	0.281	0.098	0.068*
Manufacturer intervention		0.142	0.215	0.087	0.102
Brand equity		0.003	0.005	0.159	0.986
Customer expectation		0.78	0.82	0.365	0.032**
Satisfaction	***Trust***	0.716	0.513	0.087	***
	Cooperation	0.728	0.709	0.083	***
	Dependence	0.704	0.628	0.089	***
	Commitment	1.173	0.867	0.111	***
	Performance	1.543	0.779	0.139	***

*. Significant at p<0.10, ** significant at p<0.05, and *** significant at p<0.01

Table (3): Model fit indices

Structural Model	Fit index	Cut-off value
χ^2	639.501	
d,f	410	
P-value	0	
Normed χ^2	1.55	1.00-3.00
CFI	0.942	>0.90
TLI	0.934	>0.90
RMSEA	0.076	<0.08
SRMR	0.113	<0.1

χ^2= Chi-square, d,f= Degrees of freedom, CFI= Comparative fit index, TLI= Tucker Lewis index, RMSEA= Root mean square error of approximation, and SRMR= Standardized root mean squares residuals.

Decisions regarding hypotheses

According to the results of table (2) the following decisions are taken:

H1a. The financial benefits of the manufacturer's brand positively influences retailer satisfaction with the brand.

This hypothesis is satisfied at significance level 10%, where the standardized estimate value shows a positive moderate influence from financial benefits on retailer's satisfaction with the brand

H1b. The manufacturer's brand support positively influences retailer satisfaction with the brand.

According to the p-value in table (2) it is concluded that this hypothesis is rejected, i.e. brand support has no significance influence on retailer's satisfaction.

H1c. The customer brand equity of the manufacturer's brand positively influences retailer satisfaction with the brand.

According to the p-value in table (2) it is concluded that this hypothesis is rejected, i.e. brand equity has no significance influence on retailer's satisfaction.

H1d. The customers' expectations of the store with respect to the manufacturer's brand positively influences retailer satisfaction with the brand.

This hypothesis is satisfied at significance level of 5%, thus it can be concluded that customer's expectation of store has a strong positive influence on retailer's satisfaction.

H2a. Retailer satisfaction with the manufacturer's brand relates positively to a retailer's trust in the manufacturer on matters concerning the brand.

This hypothesis is satisfied at significance level of 1%, thus it can be concluded that retailer satisfaction with the manufacturer's brand relates positively to a retailer's trust in the manufacturer on matters concerning the brand.

H2b. Retailer satisfaction with the manufacturer's brand positively relates to a retailer's commitment to the brand.

This hypothesis is satisfied at significance level of 1%, thus it can be concluded that retailer satisfaction with the manufacturer's brand positively relates to a retailer's commitment to the brand.

H2c. Retailer satisfaction with the manufacturer's brand positively relates to a retailer's assessment of the brand's in-store performance.

This hypothesis is satisfied at significance level of 1%, thus it can be concluded that retailer satisfaction with the manufacturer's brand positively relates to a retailer's assessment of the brand's in-store performance.

The study conducted evaluations on five different dimensions, including brand equity, financial benefits, customer expectations, manufacturer support, and business partnership. The process mentioned above utilized a pre-designed questionnaire with various attributes to cover each dimension effectively. The questions stipulated in the questionnaire revolved around the least and most expensive brands in three different product categories, including Tea, Tomato Sauce, and Shampoo. The study scanned the market to establish the existence of the largest number of popular and eligible hypermarkets and supermarkets, and meet their purchasing managers or store managers. The initiative stated above intended to acquire the most accurate and beneficial data, taking into consideration that each hypermarket chain had a single representation in the research. Results for each dimension are as follows;

Discussion

From the findings highlighted above, the study can deduce several issues and assumptions. First, the satisfaction of the end consumer hinges on some underlying factors. For instance, the manufacturer brand that is not only available in the retail store but also presents certain financial benefits has modest effects on the satisfaction levels of a customer. While some potential consumers decide to purchase certain brands due to loyalty and quality among other characteristics, studies show that the cost, especially affordability of the product remains one of the aspects that influence their purchase options (Cronin, Brady, and Hult 2000). On the other hand, the findings of the research allude to the fact that the expectations of a customer have strong positive impact on the customer satisfaction. Although it may appear that financial aspect of manufacturer brand has more effects on the buying choice, the brand that meets the expectation of the customer often sways the consumer's buying choice even more (Cronin, Brady, and Hult 2000). Most of the end customers prefer a brand with characteristics that conform to their expectations, including quality, performance, and durability among other aspects rather what may appear cheaper or more affordable. The luxury market, for instance, exhibits the above-stated scenario where the majority of the customers does not consider the financial benefits but concentrate on the quality and loyalty of other issues.

Study findings suggest the existence of several privileges that retailers enjoy from the manufacturers' brand. The benefits impact positively on their level of satisfaction and their trust on its performance. The findings pose a challenge to the perception that the brand of manufacturers is not valued as such by the retailers. The research points out that a benefit accruing beyond the monetary gain to include the other three satisfaction parameters by retailer (Zboja & Voorhees, 2006).

The study findings further point to the strong effects of customer satisfaction on cooperation, trust, dependence, and commitment as well as other performance constructs. For instance, any business contract or relationship between two people or entities often bank on various fundamental aspects such as trust cooperation. When the manufacturer brand has proven to be reliable, the trust of the retailer or manufacturer in the perception of the end consumer often increases. According to Singh and Sirdeshmukh (2000), the commitment, trust, and cooperation of the retailer in a business transaction or frequent business engagement with the customer usually impact positively on the level of customer satisfaction. Previous studies have also affirmed the impacts of trust, commitment, and cooperation of the retailer or manufacturer on the customer expectations (Singh and Sirdeshmukh 2000). It is notable that consumers are sensitive to the factors mentioned above while making decisions concerning purchases and long-term business engagement with the retailers (Singh and Sirdeshmukh 2000).

The benefits which the manufacturers enjoy from their brands are goes beyond the to the brand equity to include the link connecting the end user and the retailers, the benefits accruing to the retailers and the support offered by the manufacturers towards building the brand and driving it towards establishing a market trust. The brand benefits influences the customer's perception and retailers views on the brand performance, commitment and trust that creates loyalty. The retailers' monetary gain influences the way a retailer will evaluate the performance of the brand while on the other hand the brand equity has an impact on the commitment by the retailer on the manufacturers' brand rather than the retailer's satisfaction level.

Financial Benefits

Profit / Retail Margin

The level of profitability of the three categories of products under review correlated positively to their prices. Notably, the most expensive brand, shampoo product happened to be the most profitable brand, while the least expensive tomato paste brand was the least profitable of all the three brands. The two brands mentioned above provided the highest range difference of 0.8 score, which is equivalent to approximately 17% profitability difference. The most expensive product category of all the three brands had the highest profit margin compared to the remaining product categories. Most of the respondents gave the most expensive shampoo 4 out of 5 (average of 3.6 or 73% profitability). The least expensive brand received a rating of 2, with a median of 3 out of 5 (average of 2.8 or 56% profitability) for generating high profit margin compared to other brands.

Most expensive tea brand, with a mode and median of 3 out of 5 (average of 3.2 or 65% profitability) respectively is profitable according to supermarkets, as its mode and median are not very far from the least expensive tea brand (median and mode of 2). The latter brand had an average of 2.8 or 56% profitability compared to other category brands. The distinction between the two above brands is only 0.4.

The majority of respondents gave the most expensive tomato paste brand a similar rate with the least expensive tomato paste brand of a mode and median of 2 (40% profitability). Such categorization happened amid the differences in the profitability scores between the two brands. Notably, the most expensive tomato paste brand is more profitable than the least expensive tomato paste brands with 0.7 score difference.

Sales Volume Potential

The highest sales volume potential among categories is the most expensive tomato paste brand with a score of 3.7 or 74% higher volume potential compared to other brands of the same category. On the other hand, the lowest sales volume potential among all the categories is the least expensive tomato paste brand with a score of 2.6 or 52% sales volume potential. The brand score mentioned above represents a 1.1 score difference from the most expensive tomato paste brand. The most expensive tomato paste has a mode of 5 and a median of 4, while the least expensive tomato paste has a median and mode of 2, which shows a huge gap between the sales volumes of both products of the same category.

The most expensive shampoo and the most expensive tea brands have lower sales volume potential with scores of 2.6 and 2.9 respectively compared to the least expensive shampoo and the least expensive tea with scores of 3.2 and 3.3. Least expensive tea brand has an average of 66% (3.3) sales volume potential compared to the other brands with the majority of supermarkets believing that the brand has a 100% (5) sales potential volume in its category.

Frequency of Promotional Allowances

Least expensive tomato paste brand offers promotions and discounts more frequent than any other brands in the chosen categories. However, the supermarkets explain that it is still low, with a score of an average of 2.9; median of 3, and mode of 4. Second brands that give frequent promotions and offers are the least expensive shampoo brand and the least expensive tea brand with low scores of 2.6 each.

The most expensive shampoo brand had the lowest score, 1.9, an issue attributed to its frequency of offers and promotions. The least expensive brands have better scores with the majority of supermarkets giving a score of 4, although averaging to a low outcome ranging from 2.6 to 2.9. The least expensive brands and the most expensive ones range from 0.5 to 0.7 score.

Value of Promotional Allowances

The highest value of promotional allowances among all the three brand categories is the least expensive tomato paste brand. The lowest value of promotional allowances among all the three brand categories is the most expensive shampoo and the most expensive tea brand. All least expensive brands of the three selected product categories have a better value of promotional allowances compared to products of the same category.

Retail Selling Price

The highest retail selling price among all the three brand categories is the most expensive tea brand. The lowest retail selling price among all the three product categories is the least expensive tea brand. Although all categories show a very high range difference, the highest range difference is the most expensive tea brand and the least expensive tea brand with a 2.6 score difference, an equivalence to around 52% of the retail selling price difference.

The most expensive brands of the three selected product categories have higher retail selling prices compared to products of the same category. All these most expensive brands have a mode and median of 5 out of 5. Most of the respondents gave a score of 1 out of 5 to the least expensive tea brand and the least expensive tomato paste for their retail selling price, while rating 2 out of 5 to the least expensive shampoo, knowing that all least expensive brands have a median of 2.

Manufacturer's Support

Strong Consumer Advertising Support

The highest brand with strong consumer advertising support among categories is the most expensive tomato paste brand with a score of 3.6 or 72% stronger in advertising support compared to different brands of similar group. The lowest brand with strong consumer advertising support among categories is the least expensive shampoo brand with a score of 2.6 or 53%.

Highest range difference exists between the most expensive tomato paste brand and the least expensive tomato paste brand with 0.8 score margin, which is equivalent to around 17% difference. The most expensive tomato paste brand and the least expensive tea brand have a mode of 5 and a median of 4, with an average of 3.6 and 3.2 respectively. The most expensive tea brand, the most expensive shampoo brand, and the least expensive shampoo brand have modes of 1 although the average is 3, 2.9, and 2.6.

Regular Part of Store Advertising Program

The highly ranked brand with the regular part of store advertising among all the three product categories is the most expensive tomato paste brand with a score of 2.7. The least ranked brand with the regular part of store advertising among all the three product categories is the most expensive tea brand with a score of 1.8, and a mean and a mode of 1. All brands among the three categories scored low as per the judgment of almost all respondents with a range difference of 0.9 differences among the lowest (1.8) and (2.7) as the highest rated brand.

Key Brand in the Product Category

The most brand considered as a key brand in the three chosen product is the most expensive tomato paste brand with a score of 3.9. The least brand recognized as an essential brand in the product category among all the three categories is the least expensive tomato paste brand with a score of 2.5. Highest range difference exists between the most expensive tomato paste brand and the least expensive tomato paste brand with a 1.4 score difference, constituting around 28% difference. There is no variance between the most expensive tea brand and the least expensive tea brand; as well as the most expensive shampoo brand and the least expensive shampoo brand.

Although there is no variance existing between the most expensive tea brand and the least expensive tea brand, the mode for the least expensive tea brand is 1, while the most expensive tea brand's mode is 3. While there is a similarity between the most expensive shampoo brand and the least expensive shampoo brand, the mode for the most expensive shampoo brand is 2, while the least expensive shampoo brand's mode is 4.

Useful Category Information Supplied by Manufacturer

The most useful information supplied by the manufacturer is the production of the most expensive tea brand with a score of 3.9. The least manufacturer providing valuable information is the least expensive tomato paste brand manufacturer with a score of 2.5. The highest range difference is the most expensive tomato paste brand, and the least expensive tomato paste brand with a 1.0 score difference.

The study findings failed to establish dissimilarities between the most expensive shampoo brand and the least expensive shampoo brand. According to the majority of the supermarkets, almost all of the manufacturers supply useful information (mode of 5 for all brands) except for the least expensive tomato paste brand.

Important Brand for the Growth of the Product Category

The most valuable brand for the growth of the product category is the most expensive tomato paste brand with a score of 3.8. The least valuable brand for the growth of the product category is the least expensive tomato paste brand with a score of 2.8.

Highest range difference found is the most expensive tomato paste brand and the least expensive tomato paste brand with 1.0 score difference. The majority of supermarkets view the most expensive products as a slightly more valuable brand for the growth of the product category except for the shampoo category.

Brand enables Supermarket to have an Addition Choice for Customers

The brand that allows the supermarket to have an additional choice for his clients is the most expensive tomato paste brand with a score of 4.2. On the other hand, the brand that least enables the supermarket to have an additional choice for its customers is the least expensive shampoo brand with a score of 2.8.

Highest range difference exists between the most expensive shampoo brand and the least expensive shampoo brand with a 1.1 score difference. The majority of the supermarkets view the most expensive tea brand, the least expensive tea brand and the most expensive tomato paste brand as an additional choice for customers (mode 5). Although a huge difference is vivid in the most expensive shampoo brand and the least expensive shampoo brand, both have a mode of 3.

Brand Equity

Purchasing over competitors is likely to exhibit similarities in their quality level. The brand the most purchased over competitors while having the same quality among all the three categories is the most expensive tomato paste brand. The brand the least purchased over competitors while having the same quality among all the three groups is the least expensive tomato paste brand. Highest range difference found is the most expensive tomato paste brand and the least expensive tomato paste brand with 1.2 score difference.

Most of the respondents gave the most expensive tomato paste brand 5 out of 5 (average of 3.7) as being purchased over competitors while having the same price, while for the remaining brands most expensive and least expensive they gave it a score of 4, except for the least expensive tomato paste brand.

Purchasing Brand over Competitors while having the Same Price

The brand the most purchased over competitors while having the same price among all the three categories is the most expensive tomato paste brand. The brand the least purchased over competitors while having the same price among all the three categories is the least expensive tomato paste brand. The researcher determined the highest range variance between the most expensive tomato paste brand and the least expensive tomato paste brand with 1.1 score difference.

Compared to purchasing the brand over the competitor having the same quality with price, most of the respondents not only give the most expensive tomato paste brand 5 out of 5 (average of 3.8) but also the most expensive tea and the least expensive tea brand (average of 3.6 and 3.3). Customers will choose a different brand if the price differs from the following products: the least expensive tomato paste brand, the most expensive shampoo brand, and the least expensive shampoo brand.

Purchasing Brand over Competitors even if Competitor is better in any way

The majority of the supermarkets believe that if a competitor is better in any way, the customer will most probably purchase the competitor's brand. The above notion emanates from the results from the respondents who noted that an average score range of 2.4 to 2.8, with a steady mean and mode of 2.

Purchasing Brand over Competitors even if Competitor is Similar to Brand

The brand the most purchased over competitors due to similarity among all the three categories is the most expensive tomato paste brand. The brand the least purchased over competitors while being similar to it among all the three categories is the least expensive tomato paste brand and the least expensive shampoo brand. Highest range difference existed between the most expensive tomato paste brand and the least expensive tomato paste brand with 0.9 score difference. The most expensive tea brand and the least expensive tea brand are the highest products purchased even if competitors are similar; followed by the most expensive shampoo brand then the least expensive shampoo brand. Customers are more resistant to changing their tea brand followed by the shampoo brand.

Customer's Expectations

Customers are only concerned with the existing brands and vice versa. Most supermarkets in the study agree that the clients will not be too concerned if the most and least expensive brands are not available, mostly if it is about the most expensive tea brand.

Customers Expect to Find the Brand in Supermarket

Supermarkets admit that their customers expect to find the most as well as the least expensive brands among all the brand categories. Although the least expensive tomato paste brand has the lowest average score, 3.6, it still has a mode of 5 like all other brands.

Customers Will Complain if Brand is Not Available

Customers will often complain about certain brands if they are not available, particularly the least expensive tea brand and the most expensive tomato paste brand. Both have a mode of 5 and an average of 3.5. The most expensive tea brand will be the next most preferred brand with the same average of 3.5 and a mode of 4. The least brand customers will complain about if they didn't find in the supermarkets is the least expensive shampoo brand, where supermarkets gave an average of 3.2, and a different mode of 2.

Brand is Popular

The most popular one is the most expensive tomato paste brand, while the least popular is the least expensive tomato paste brand. Majority of supermarkets believe that these brands are popular, including the most expensive shampoo brand and the least expensive tea brand, both with a mode of 5, while an average of 3.5 and 3.4.

Customer Expectations Attributes Score for the Collective Most vs. Collective Least Expensive Brands

The most expensive brands received the highest rating for meeting the customer expectations as well as providing benefits to the supermarkets due to their availability (score 4.41 or 88%). Contrarily, the least expensive brands received the lowest customer expectations' scores, and the least beneficial for supermarkets (score 2.78 or 56%). Evaluating the overall least expensive brands, the best customer expectation for a supermarket comes from their expectation to find the brand, while the least comes from not concerned if the brand is unavailable.

Business Partnership

Satisfaction

Satisfaction entails being at ease and comfortable with the decision to have an individual brand in the supermarket. The highest brand that the supermarkets do not regret having among categories is the most expensive tomato paste brand and the most expensive tea brand with a score of 4.8 or 95%. Although the least expensive tomato paste brand and the least expensive shampoo brand receive the least score, their average score is 3.9 with a mode of 5. Highest range difference exists between the most expensive tomato paste brand and the least expensive tomato paste brand with 0.9 score difference which is equivalent to around 17% difference.

Majority of the supermarkets gave all brands a mode of 5 with a median of 5 except for the least expensive tomato paste brand and the least expensive shampoo brand, which have a median of 4 and an average score of 3.9 each.

Not Completely Happy with Brand

The brand that most of the respondents are not completely happy with among the three brand categories is the least expensive tomato paste brand. The most expensive shampoo brand remains the product that most of the supermarkets are completely happy with. Highest range difference is the most expensive shampoo brand and the least expensive shampoo brand with 0.8 score difference, which is equivalent to around 12% profitability difference.

Although there is a difference in the averages of the different brands, the majority of the supermarkets are happy with their brands, especially the most expensive ones, which mostly give them a high mode score. The supermarkets often have the mentality that they will have certain brands no matter what happens in the market. For instance, the most expensive tomato paste brand with a score of 4.7 or 94% is an example of the brand among the three product categories that supermarkets will prefer to have irrespective of any immediate challenges. The lowest brand that the supermarket will have no matter what among categories is the least expensive tomato paste brand, yet it has an above average score of 3.6 or 73%, with a mode of 3. The highest range difference exists between the most expensive tomato paste brand and the least expensive tomato paste brand with a 1.1 score difference, which is equivalent to around 21% difference. All of the three brands, except for the least expensive tomato paste brand, have a mode of 5.

Supermarkets are Pleased with the Brand Effect of the Product Range

The most expensive tomato paste brand and the most expensive tea brand with a score of 4.1 or 81% and a mode of 5 are the highest brands that supermarkets are pleased with their effects on the product range. The lowest brand that the supermarket is pleased with its effect on the product range among categories is the least expensive tomato paste brand with a score of 2.9 or 58%, with a mode of 1. The highest range difference exists between the most expensive tomato paste brand and the least expensive tomato paste brand with 1.2 score difference, which is equivalent to around 23% difference. There is a small difference between the least expensive tea brand and the most expensive shampoo brand.

Overall Brand Satisfaction

The highest brand that the supermarket is satisfied with among the three product categories is the most expensive tea brand with a score of 4.8 or 95% satisfaction and a mode of 5. The lowest brand that the supermarket is satisfied with among categories is the least expensive tomato paste brand with a score of 3.4 or 68%, with a mode of 5. The highest range difference is the most expensive tomato paste brand, and the least expensive tomato paste brand with a 1.3 score difference, which is equivalent to around 26% difference.

Although there are differences in the average score, the majority of the supermarkets are satisfied with all the brands, whether most or least expensive, as the brand's entire mode is 5. Although the mode of all brands is 5, the median of the most expensive shampoo brand and the least expensive shampoo brand is 4, while the median of the least expensive tomato paste brand is 3.

Trust

Trust plays a central role in swaying the supermarkets'' viewpoint about a particular brand. For instance, the study reveals that the brand giving the highest support for being available among all the three categories is the most expensive tomato paste brand. The brand giving the lowest support for being available among all the three categories is the least expensive shampoo brand. The highest range difference was between the most expensive tomato paste brand and the least expensive tomato paste brand with 0.7 score difference, a rating equivalent to around 15% of the support difference. Most of the respondents gave the most expensive shampoo 5 (average of 3 or 60% of support), while the least expensive shampoo brand had a rating of 1, (average of 2.4 or 47% support) for being available compared to other brands.

The availability of the most expensive tea brand and the least expensive tea brand accords them more trust, as most of the respondents gave them an average score of 3.1, with a mode of 4, representing 61% and 62% respectively. Although they have the same median of 3, the most expensive tomato paste brand has a higher trust for being available due to its higher rating of 5 from most of the respondents, while the least expensive tomato paste brand had a score of 3 by the respondents.

Assistance and Support Offering Even if Circumstances Change

The respondents accorded the most expensive tomato paste brand a score of 3.5 or 71% compared to other brands of the same category, thereby giving them the highest assistance and support even if circumstances change. On the other hand, most expensive shampoo brand with a score of 2.8 receives the lowest assistance and support if things change brand. Although the least expensive tea brand is not the lowest brand within the category, it is the only one that the majority of supermarkets gave a rating of 1.

Manufacturer Problem Response

The most expensive tea brand and the most expensive tomato paste brand receives the best rating for responding to problems by the manufacturer, with an average of 4.5 or 91% and a mode of 5 compared to other brands. The most expensive shampoo brand is the lowest rated for response problem by the manufacturer, with an average of 3.6, and a mode of 5. Except for the least expensive shampoo, most of the respondents rated the other most expensive and least expensive of the three categories brands with the highest rate 5.

Cooperation

Supermarket Helps out Brand

The most helped out by supermarkets among all the three categories is the most expensive tomato paste brand. The least helped out by supermarkets among all the three categories is the least expensive shampoo brand. The most helped out category regardless of its price is the Tomato paste, where the majority of supermarkets gave the category a score of 4. The majority of the supermarkets gave lower ratings to the least expensive tea brand and the least expensive shampoo brand than their most expensive brands.

Future Profit Depending on Good Relationship Maintaining

Supermarkets believe that a harmonious relationship between retailers and manufacturers is central to their profitability in the future. Thus the majority of them gave all the categories a score of 5. However, taking an in-depth look at the above issue makes one understand that the highest brand to generate more profits due to good relationship maintaining is the most expensive tomato paste brand, with a median of 5 and an average score of 3.8. Nevertheless, the most expensive tea brand and least expensive tea brand have also a high correlation between profits and relationship maintaining, where supermarkets rated them with a median of 4 and an average score of 3.8. Although it still differs, the lowest ranked brands regarding the future profits depend on the relationship are the least expensive tomato paste brand and the most expensive shampoo brand, with an average score of 3.5.

Future Goals Reached By Working with The Brand Rather Than Against It

Supermarkets believe that all of the product categories' future goals will be reachable by working with all brands, except for the least expensive shampoo brand. Here the majority of the brands gave a rating for all brands of 5 and an average range of 4 to 4.5, except for the least expensive shampoo brand, which has a majority of being rated 4 with a mean of 3.6. However, a deep insight into the issue reveals that the highest brand to reach future goals by working with the brand is the most expensive tomato paste brand, with a mode and median of 5 and an average score of 4.5.

Dependence

Difficult to Find Replacement for Brand

The most expensive tomato paste brand remains the brand that is the most difficult to replace among all the three categories, followed by the most expensive tea brand, and subsequently the most expensive shampoo brand. The least brand that is hard to replace among all the three categories is the least expensive tomato paste brand.

Although the scores of replacement are low, all the most expensive brands of the three selected product categories have higher ratings for the difficulty of replacement compared to products in the same category. Most expensive tomato paste brand is the most difficult to replace among all the three categories according to supermarkets, as its mode is 1 and its median is 2 out of 5 (average 2.4 or 48% dependability). The scores above generate a high-reliability level. However, the least expensive tomato paste brand has a mode and median of 1 but a less average rating of 1.9 (to be replaced by 39%). The difference between them is 0.5 and remains the highest score.

Significant Loss in Income if Brand is Not Available

The most expensive tomato paste brand causes the most significant loss among all the three categories, with an average score of 3, and a mode of 1. With a mode of 2, the least brand that causes significant loss among all the three categories is the least expensive tomato paste brand. The scores gathered from supermarkets vary a lot regarding the issue, as the averages do not give a correct indication on the majority of the responses.

Competitor Brands are Extremely Limited

All product categories have a broad range of competitors as shown in the rating of 1 as provided by most of the respondents. The most expensive tomato paste brand has the most extreme number of competitors compared to different brands in the group. The least expensive tea brand has the record of being the brand with the highest competition among brands in the category.

Commitment

Genuinely Enjoy Brand Association

The most expensive tea brand and the most expensive tomato paste form the two brands that

supermarkets enjoy their brand association compared to other brands in their category.
The least brand supermarkets enjoy their brand association among all the three categories is the least expensive shampoo brand and the least expensive tomato paste brand. The majority of supermarkets gave high ratings from the brands' association enjoyment except for the least expensive shampoo brand and the least expensive tomato paste brand, where they have a mode of 4.

Positive Feelings are the Main Reason for Continuation

The majority of supermarkets gave the highest rating for almost all brands except for the most expensive tea brand and the least expensive tomato paste brand. It is notable that the largest brand supermarkets continue dealing with due to positive feelings are the most expensive tomato paste brand, where it has a median and mode of 5 and an average of 4.5. The lowest brand for supermarkets continuation due to positive feelings is the least expensive shampoo brand. However, most of the response has a score of 5.

Preference of Brand Association is a Reason not to Drop Brand

All brands scored an average range of between 2.8 and 3.3, except for the most expensive tomato paste brand with a mean of 3.8 and a mode of 5, which implies that the supermarket's preference will matter on the category. Supermarkets can drop the least expensive tomato paste brand more than any other brands as their preference is not the only concern they have to keep the brand.

Implications and Conclusions

Managerial Implications

The existing literature has fallen short of examining the relationship outcomes of manufacturers' brands for the resellers. In this respect, the paper comes in handy to identify a range of gains achieved by the brands of the manufacturer, particularly to the resellers. The benefits stipulated above may include the connection between the retailers and manufacturer as well as the link to the end user. Notably, the end user plays a critical role in providing manufacturer's brand support and reseller marketing (Webster 2000). While financial benefits often feature as the primary brand benefit, the realization of the advantage mentioned above hinges on the efficient utilization of brand-based margins and pricing by the reseller. The means by which the reseller supports the brand is by using manufacturer resources. It is notable that manufacturers in many instances avail supporting resources for their brands to the resellers. These resources may include brand advertising, category development, brand information and expertise, and support of the reseller-promotional program. Lastly, the third benefit revolves around the relationship between the reseller and the customer, particularly the latter's expectations.
Manufacturers often put much emphasis on the strategic value of brands. They also appreciate the positive and beneficial relationship with resellers in the attempt to achieve the product valueoffered (Narus and Anderson 1988). The following implication notes that the sources above of brand benefits have significant effects on manufacturer-reseller ties. According to Narus and Anderson (1988), the trust, satisfaction, and subsequent commitment of the reseller are in part attributed to the benefits of the brand. By focusing on the brand benefits to resellers, manufactures adopt not only their market-based assets but also promote the seller-buyer relationship.
The manufacturer-reseller relationship provides for the exchange of knowledge between resellers and manufacturers concerning category expertise

and market information. While the traditional literature put much emphasis on marketing communication as a means of remain focused on the development of major brands (Aaker, 1991). Besides, brands also play a central role in justifying the need for the strengthening reseller-manufacturer relationship.

Suggestions for Future Research

The satisfaction of and trust by both parties in a business transaction is critical to the survival of the relationship and subsequent success of the venture and vice versa. While the study deals with the measurements of these benefits from a manufacturer perspective, there is need to pursue a hybrid research which amalgamates the benefits from both the two parties as well as the end user.

Conclusion

The survival of business venture in the contemporary society hinges on the relationship that exists between the parties in business. For instance, a positive correlation between manufacturer brand and the resellers is likely to push the business to greater levels. The benefits presented by the manufacturer brand are several, there is need to also acknowledge the significant advantage of the relationship between the manufacturer brand, the reseller, and the end user. In this respect, the paper attempted to identify a range of benefits offered by the manufacturer brands, particularly to the resellers. The benefits stipulated above may include the connection between the retailers and manufacturer as well as the link to the end user. Notably, the end user plays a critical role in providing manufacturer's brand support and reseller marketing.

Study findings indicate existence of a number of benefits from the manufacturers' brand that the retailers enjoy. These benefits accruing to the retailers affect in a positive way their level of satisfaction and their trust on its performance. Therefore, the study findings here put to challenge the perception that the brand of manufacturers is not valued as such by the retailers. There is further indication of a benefit accruing beyond the monetary gain to include the other three utilities that form the basis for the retailer evaluation on the brand type.

The gains from the manufacturers brand is not limited to the brand equity but extends to the linkage the customers of the retailers, their monetary gains thereof, and the support they receive from the manufacturers towards building the brand and driving it towards establishment a market trust. The benefits accruing from these brands goes a long way to affecting the customers perception and retailers views on the performance, commitment and trust that creates loyalty. The retailers' monetary gain influences the way a retailer will evaluate the performance of the brand while on the other hand the brand equity has an impact on the commitment by the retailer on the manufacturers' brand rather than the level of satisfaction by the retailer.

The level of satisfaction by the retailer towards the manufacturer's brand has an influence on the commitment of the brand, its trust and in-store performance of the brand which means that the associated brand gains and privileges goes alongside the established name of brand in promoting leverage in business that manufacturers enjoy.

Manufacturers focus on supporting the channel will have a positive impact in managing a direct and indirect product line. It indicates that support of the channel creates a good relationship in the market where the brand is established that starts with the end user in mind and influence the brand performance. The findings in the study suggests influencing the brand performance through support of retailer trust in the brand that is based on performance which will guarantee their commitment.

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THE EFFECTIVENESS OF RELATIONSHIP MANAGEMENT AND SERVICE QUALITY ON SERVICE DELIVERY

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Abstract

To gain competitive advantage and retain their customers organisations need to take care of their prized assets which is their customers. This can only be achieved by efficient relationship management and service quality. This paper aims to study the effectiveness of service quality and relationship management on service delivery. Design/methodology/approach – This study uses a questionnaire and statistical analytical techniques to explore the effectiveness of service quality and customer relationship management (CRM) on service delivery. Findings – The results indicated that service quality has a positive influence on service delivery and relationship management enhances service delivery. Practical implications – The results found that service delivery aspects such as service processes, quality improvement, and value enhancing is indeed an important source of competitive advantage. Hence, enterprises should acquire valuable service processes in order to enhance the relationship with customers, as well as enhance their service quality. Furthermore, this research is expected to provide enterprises with valuable suggestions for management practices.

Keywords: *relationship management, Service quality, Service*

Introduction

Customer satisfaction is imperative, as this will facilitate repeat purchase, and reduce the cost of acquisition. In a globalized economy organisations need to ensure a healthy relationship with the customers. Customer Relationship Management (CRM) is the establishment, development, maintenance and optimization of long-term mutually valuable relationships between customers and organizations. It is a business strategy that provides the enterprise with a complete, dependable, and integrated view of its customer base (Kotler and Keller, 2006). The main aim is to find, attract, and win new clients, nurture and retain the ones the company already has, entice former clients back into the fold, and reduce the costs of marketing and client service. CRM describes a company-wide business strategy including customer-interface departments as well as other departments, (Meroz, 2006). As a result of customer relationship management organisations understand the needs of the customer thus customize their service offering to gain a competitive advantage.

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Service Delivery

Service marketing concepts and strategies have developed in response to the tremendous growth of service industries resulting in their increased importance to world economies (Zeithaml and Bitner, 2006). As technological advancement has equalized most production processes, one of the few remaining strategies that can set one company apart from others is customer service. Chandler (1962) stated that strategy determines the basic long-term goals of an enterprise, the adoption of courses of action and the allocation of resources necessary for carrying out these goals.

The service environment has evolved due to the following factors: changing patterns of government regulation, technological innovations, the service quality movement, pressures to improve productivity, relaxation of previous professional association, restrictions on marketing, internationalization and globalization etc (Lovelock *et al*, 1996). This has caused a lot of dynamism in the service sector and especially the aviation industry: competition has increased and consumers are exposed to more information. To survive, service companies have to differentiate themselves mainly by being as close to the customer as possible; this has led to an over emphasis in the area of service marketing to enable marketers in developing service strategies to respond to the market.

Service providers need to have the capacity to interpret the demand and to identify the type of services which is appropriate to support the different clients. In a pluralistic environment where there are multiple service providers to be contracted, it is important at this level to assess the performance of the different possible providers and the quality of their services in order to identify who can best do the job. Isolated services on specific issues might not be effective (Zeithaml and Bitner, 2006).

Effectiveness of Customer Relationship Management System on Service Delivery

The concept of customer relationship management evolved because it places emphasis on understanding customer needs and then solving problems or delivering benefits that create demonstrable customer value (Dowling, 2002). The role of information technology is important in this style of customer relationship management, as it is designed to support rather than drive the customer relationship. The types of relationships that develop here are often deep and meaningful, both for the firm and the people involved (Dowling, 2002). A long-term and profitable customer relationship is the most valuable asset for the company. When providing services in service companies' customers always interact with the service provider. But the type of interaction differs from business to business. In some businesses, the service process continues for a long period of time, including a large number of contacts and interactions. When there is a service process, the process leads to cooperation between customer and service provider hence the emergence of customer relationship (Grönroos 2000).

In the past, companies assumed that customer satisfaction is one of the most important factors for a strong relationship. But the latest research concludes that customer satisfaction is a crucial but not sufficient condition for a relationship to be strong (Storbacka & Lehtinen 2001). Ability to satisfy a customer who has purchased once and induce him to buy again or more is a difficult task. By knowing some of the principles and used methods it is easier to learn about customer needs, monitor them, affect them and most of all know how to create satisfied customers.

The globalized world is changing very fast. As business conditions continually change, mid-market enterprises are forced to constantly realign their business strategy to maintain profitability and growth. Faced with the increased infiltration of companies that offer equal satisfaction levels to customers in the market, Aviation companies are compelled to come up with appropriate means of presenting their services so that brand preference, consumer loyalty and rightful perception in regard to product attributes among other objectives are realized.

Competition in the aviation industry demands organization to continuously seek means to gain customer loyalty. However, although firms realize the value of keeping customers loyal, no one knows for certain how to do it (Wright & Sparks, 2004). Companies measure customer satisfaction, and hope that if the satisfaction scores are good, the customers will stay with the firm. But the truth is that even satisfied customers leave for the temptation of competitors' offers (Peck *et al.,* 2004). Loyal customers bring several advantages. They usually lead to increased revenues for the corporation, result in predictable sales and profit streams, and are more likely to purchase additional goods and services (Gremler & Brown, 2002). The link between customer relations management systems and service delivery has become increasingly recognized in marketing strategy, and the increasing interest in customer relations strategies is a result of the recognition that generating more business from existing customers usually are cheaper and more effective than just trying to attract new ones (Wright & Sparks, 2004).

The link between customer relations management and service delivery has become increasingly recognized in marketing strategy, and the increasing interest in customer relations strategies is a result of the recognition that generating more business from existing customers usually are cheaper and more effective than just trying to attract new ones (Wright & Sparks, 2004).

Methodology

This study was qualitative in nature and describes the airline sector in the term of impact of Organizational Commitment on individual bank employee Job performance. 2.1 Regression: Regression analysis is useful for identifying the main factors associated with, the problem or more independent variables that affect any of the dependent variable. According to our theoretical framework in which the dependent variable, job performance affected by independent variables, that is organizational commitment and its three dimensions. The dependent variable in the regression equation worked as the function of the independent variable, corresponding parameters "constant" and an error term. Error term represents the unexplained variation in the dependent variable. The unknown parameters are denoted by β.

Service Quality

The study sought to determine the extent to which service quality affects service delivery.

Table 1.4: Extent to Which on Service Quality Influence Service Delivery

Opinion	Frequency	Percentage
Very Great Extent	14	29.2
Great Extent	25	52.1
Moderate Extent	9	18.8
Less extent	0	0
Not at all	0	0
Total	48	100.0

From the study findings, majority of the respondents indicated that service quality influence service delivery to a great extent as shown by 52.1%, 29.2% of the respondents indicate to a very great extent while 18.8% of the respondents indicated to a moderate extent. These findings show that service quality affects service delivery to a great extent.

The study further sought to establish the respondents' level of agreement with some statements relating to the influence of service quality on service delivery.

Table 1.5: Statements Relating to the Influence of Service Quality on Service Delivery

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std Deviation
improving service quality entails creating better service processes and outcomes to improve customer satisfaction	7	31	4	5	1	2.208	0.490
The task of value enhancing requires quality-improvement programs to deliver and continuously enhance the benefits desired by customers	12	25	6	4	1	2.104	0.362
Service quality is a major determinant of customer loyalty in any business	8	27	7	3	3	2.292	0.386
Productivity improvement efforts must seek to reduce the associated costs so as to generate maximum profits	10	32	3	1	2	2.021	0.522

Majority of the respondents agreed that productivity improvement efforts must seek to reduce the associated costs so as to generate maximum profits, as shown by a mean of 2.021; the task of value enhancing requires quality-improvement programs to deliver and continuously enhance the benefits desired by customers, as shown by a mean of 2.104; improving service quality entails creating better service processes and outcomes to improve customer satisfaction, as shown by a mean of 2.208; and that service quality is a major determinant of customer loyalty in any business, as shown by a mean of 2.292. These findings were found to concur with the findings of Kotler (1999) who noted that a service firm may win by delivering consistently higher quality service than competitors and exceeding customer's expectations. He further noted that after receiving the service, customers compare the perceived service and expected service and this determines their loyalty.

Table 1.3: Extent to Which on Managing Relationships Influence Service Delivery

Opinion	Frequency	Percentage
Very Great Extent	15	31.3
Great Extent	29	60.4
Moderate Extent	4	8.3
Less extent	0	0
Not at all	0	0
Total	48	100.0

From the study findings, majority of the respondents indicated that managing relationships influence service delivery to a great extent as shown by 60.4%, 31.3% of the respondents indicate to a very great extent while 8.3% of the respondents indicated to a moderate extent. These findings show that managing relationships affects service delivery to a great extent.

Table 1.4: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 Constant	4.902	0.453		10.821	.001
Relationship management	0.398	0.143	.014	2.783	.003
Service Quality	0.431	0.153	.132	2.817	006

From the above regression equation it was revealed that holding customer segmentation, feedback management, managing relationships and service quality to a constant zero, service delivery would be at 4.902, a unit increase in managing relationships would lead to an increase in service delivery by a factor of 0.398 and a unit increase in service quality would lead to increase in service delivery by a factor of 0.431.

Summary of the Study

The study revealed that Customer Relationship Management System affects service delivery, these findings were found to be consistent with the findings of Hokkanen *et.al.* (2002) who argued that segmenting is successful if the people inside the certain group are similar and should also differ from target groups of the competitors. Similarly, Hooley *et.al.* (2004) noted that segmentation is a particularly useful approach to marketing for the smaller company since it allows target markets to be matched to company competencies and makes it more likely that the smaller company can create a defensible niche in the market.

The findings unfolded that managing relationships affects service delivery to a great extent. The findings also unfolded that customer equity management is a an approach to marketing and corporate strategy that finally puts customers first, customers increase the value of the firm in the event of a sale, a fundamental relationship exists between strategies intended to bring about a single transaction and those designed to create extended relationships with customers and that customers are an important financial asset to the firm. These findings are consistent with those of Lovelock, Wirtz & Chatterjee (2006) who asserted that customers are an important financial asset to the firm as they increase the value of the firm in the event of a sale. They also noted that customer equity management is a new approach to marketing and corporate strategy that finally puts customers, and more important, strategies designed to grow the value of each other, at the heart of the organization.

The study found out that service quality affects service delivery to a great extent. The study findings also found out that productivity improvement efforts must seek to reduce the associated costs so as to generate maximum profits, the task of value enhancing requires quality-improvement programs to deliver and continuously enhance the benefits desired by customers, improving service quality entails creating better service processes and outcomes to improve customer satisfaction, and that service quality is a major determinant of customer loyalty in any business.

Conclusion

In conclusion the findings revealed that customer segmentation affects service delivery to a great extent and that the most basic and often used method of segmenting a market is demographic approach. The study thus concludes that customer segmentation results in improved service delivery if the people inside the certain group are similar but at the same time differing from the target group of the competitors.

The study further established that feedback management affects service delivery to a great extent. Therefore, the study concludes that proper feedback management improves customer satisfaction by encouraging feedback and hence improves service delivery. The study further concludes that customer satisfaction can also be achieved by managing the relationship between the organization and their customers.

Further conclusions are drawn that in order to improve service delivery, an organization must be in a position to improve on its productivity. To achieve this organization must ensure quality-improvement programs are put in place so as to deliver and continuously enhance the benefits desired by customers.

Recommendations

There is need for organizations to identify distinct segments as sizable groupings of consumers or business customers with similarities that respond to marketing efforts. This is because customers are different, and treating them all as if they were the same, results in poorly targeted offers, lower sales and dissatisfied customers.

The study recommends that organizations need to establish close relationship with their customers since when customers are highly involved with a service; they give feedback to try and contribute toward service improvement.

There is need for organization to carry out frequent research that finds out what customers expect. This is essential in providing quality feedback and marketing research the key to understanding customer expectations and perceptions of the service.

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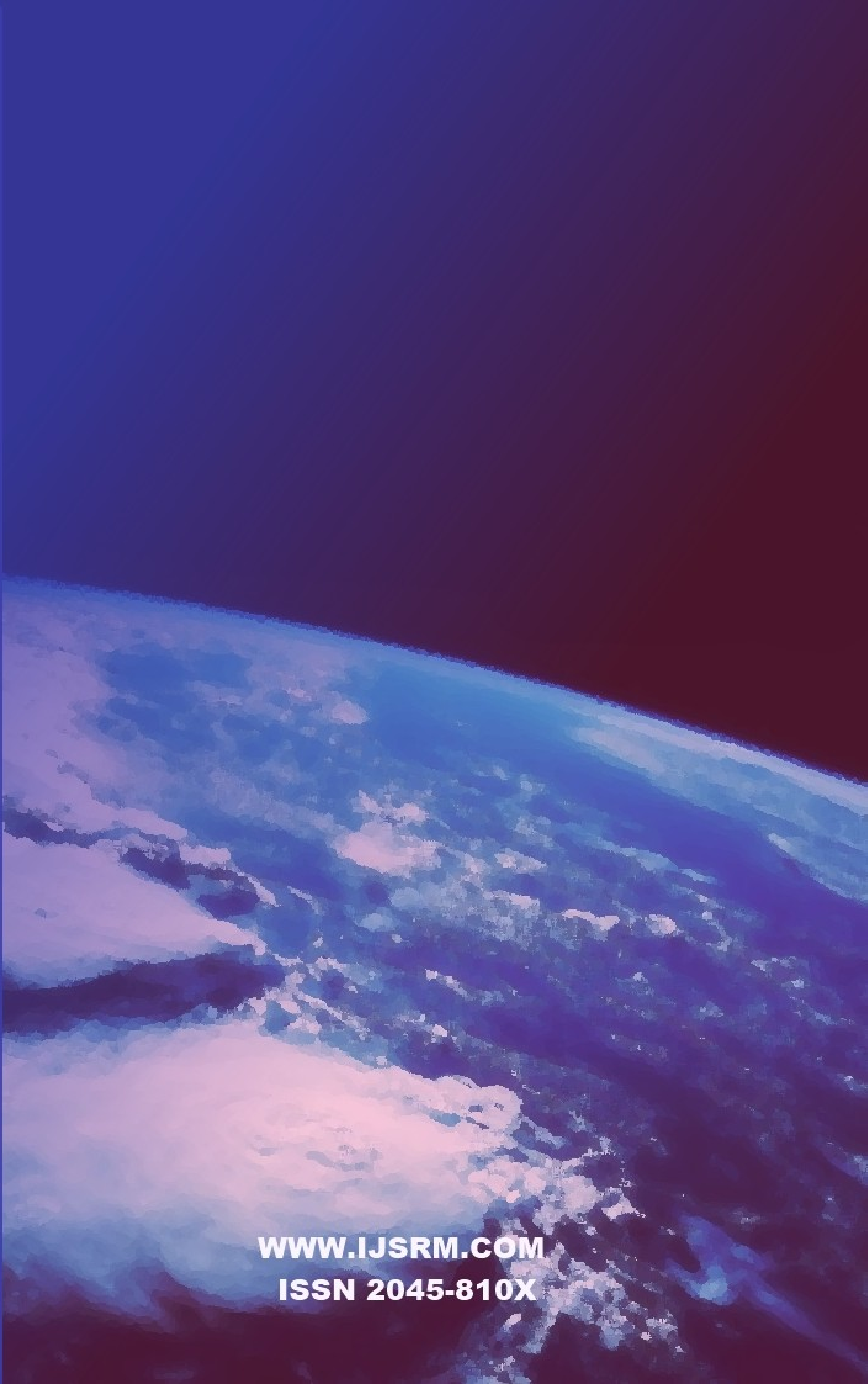
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