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Impact of Marketing Strategy, Customer Perceived Value, Customer Satisfaction, Trust, and Commitment on Customer Loyalty

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Impact of Marketing Strategy, Customer Perceived Value, Customer

Satisfaction, Trust, and Commitment on Customer Loyalty

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ABSTRACT

Impact of Marketing Strategy, Customer Perceived Value, Customer

Satisfaction, Trust, and Commitment on Customer Loyalty

This research explored the relationships between the marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and customer loyalty for Taiwanese retail stores. The study employed systematic random sampling to select 593 subjects from the Hanshin department store and the 7-Eleven convenience store, as well as the Wellcome supermarket, the Carrefour hypermarket, and the Costco warehouse club. The final number of usable questionnaires was 500. A four-part questionnaire was employed in this study and included customer shopping characteristic variables, the marketing mix scale, the customer perceived value scale, the relationship quality and customer loyalty scale.

Data collected from the questionnaire was analyzed with PASW Statistics 18 to test the hypotheses. Descriptive statistics, internal consistency reliability, exploratory factor analysis, Pearson's correlation, multiple regression and ANOVA statistical operations were performed. The results tested the four hypotheses (3 sub-hypotheses per hypothesis) and determined the answers for the research question.

The findings indicated that trust, commitment, price deal and perceived quality significantly and positively influenced customer loyalty, word-of-mouth communication, price insensitivity, and purchase intention. Findings also indicated that distribution intensity had a positive relationship, while advertising spending had a negative relationship with customer word-of-mouth communications. Customer satisfaction was a significant factor only for purchase intention.

Taiwanese retail store shoppers are highly trustful and committed to the store. Retailers should deliver more value to shoppers through promotion activities (price deals and advertising campaigns) to build a long-term and mutually profitability relationship with shoppers. The limitations and future research recommendations are also included in this study.

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CHAPTER I

INTRODUCTION

Introduction and Background to the Problem

The ultimate goal for firms is to build customer loyalty (Eakuru & Mat, 2008; Oliver, 1997). With loyal customers, companies can reduce the operating cost and acquisiton expenses. Reichheld and Sasser (1990) clearly state that an improvement of 5 percent in customer retention leads to an increase of 25 percent to 75 percent in profit. Wills (2009) states that it costs more than five times as much to obtain a new customer than to keep an existing one. Moreover, with loyal customers, for example, companies can increase their revenue. First, loyal customers are less price sensitive. The premiums of loyal customers increase 8 percent annually in the personal insurance industry (Reichheld & Teal, 1996). Second, loyal customers are willing to purchase frequently, try the firms' other products or services, and bring new customers to the firms (Reichheld & Sasser, 1990). At Northwestern Mutual, the contribution of 55 percent sales is from existing customers (Reichheld & Teal, 1996). Thus, loyalty links with the success and profitability of a firm (Eakuru & Mat, 2008). Reichheld and Teal (1996) further indicate that customer loyalty provides a

foundation for a firm to examine their marketing strategy, relationship quality improvement activities, and value creation program.

The function of relationship quality (customer satisfaction, trust, and commitment) is to reduce buyers' uncertainty and strengthen the relationship between two parties (Caceres & Paparoidamis, 2007). The constructs of relationship quality commonly include (1) customer satisfaction, (2) trust, and (3) commitment. Customer satisfaction is an important driver to customer loyalty and the success of businesses (Oliver, 1997). Studies have found positive evidence on the direct relationship between customer satisfaction and loyalty of repeat purchase, less price sensitive, cross-buying behavior, and profit (Bloemer & Odekerken-Schroder, 2002; Ibrahim & Najjar, 2008; Oliver, 1997). However, several studies (Dimitriades, 2006; Jones, 1996; Woodruff, 1997) show that satisfied customers do defect. For example, when customers say they are satisfied, they still purchase elsewhere (Jones, 1996). The result of customer satisfaction defect is attributed to two factors. First, firms do not deliver value to satisfy customers' need or want (Roig, Garcia, Tena, & Monzonis, 2006). Thus, Woodruff (1997) identifies that customer satisfaction measurement without fulfillment of customer perceived value (customers need or want) cannot really represent the customer's voice. Second, customers feel uncertainty of the relationship with firms. Morgan and Hunt's (1994) key mediating variable model

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propose that trust and commitment are two vital factors enable customers' overcome

uncertainty and strengthen the relationship with firms, and in return leads to customer

loyalty.

Marketing exists to deliver more value to satisfy customers as well as build a

long-term and mutually profitability relationship with customer (Kotler, 2005).

Lemon, Rust, and Zeithaml (2001) state that "value is the keystone of the customer's

relationship with the firm" (p. 22). If a firm's products or services do not meet the

customer's needs and wants, all the strategies are insufficient. According to Lemon

et al. (2001), value is delivered from three key factors: (1) quality, (2) price, and (3)

convenience. Quality is viewed as goods and services quality. Price is viewed as

monetary and non-monetary sacrifices. Convenience (non-monetary) relates to all

the benefits customers received, such as time saved and effort to do business with the

firm (Lemon et al., 2001). Quality is subsumed under product, while price is

subsumed under price, and convenience is actually subsumed under place (availability)

and promotion (information and communication).

Therefore, the marketing mix, the customer perceived value and the

relationship quality constructs of customer satisfaction, trust, and commitment are

essential elements in the building of customer loyalty.

Purpose of Study

Some studies have concentrated only on relationship marketing of relational variables and relationship quality to build customer loyalty. Other studies have concentrated on two or three variables among marketing mix, perceived value, customer satisfaction, trust, and commitment to create customer loyalty. There is no study that includes on the integration of marketing mix, customer perceived value, and relationship quality (customer satisfaction, trust, and commitment) to build customer loyalty. Thus, the purpose of this study is to explore the differences in the influences of marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment) on customer loyalty. Meanwhile, the differences of consumer's loyalty among the five different types of retail stores will be examined.

Definitions of Terms

Customer Loyalty

Theoretical definition: Customer loyalty is defined as "a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior" (Oliver, 1997, p. 392).

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Operational definition: In this study, customer loyalty refers to customers'

behavioral intensions to retail stores. The customer loyalty scale developed by

Bloemer and Odekerken-Schroder (2002) is measured by word-of-mouth,

price-insensitivity, and purchase intentions.

Relationship Quality

Theoretical definition: Relationship quality is "an overall assessment of the

strength of a relationship and the extent to which it meets the needs and expectations

of the parties based on a history of successful or unsuccessful encounters or events"

(Smith, 1998, p. 78).

Customer satisfaction is defined as "the consumer's fulfillment response. It is

a judgment that a product or service feature, or the product or service itself, provided

(or is providing) a pleasurable level of consumption-related fulfillment, including

levels of under-or-over fulfillment" (Oliver, 1997, p. 13).

Trust is defined as "when one party has confidence in an exchange partner's

reliability and integrity" (Morgan and Hunt, 1994, p. 23).

Commitment is defined as "an exchange partner believing that an ongoing

relationship with another is so important as to warrant maximum efforts at

maintaining" (Morgan and Hunt, 1994, p. 23).

Operational definition: In this study, relationship quality refers to customers'

attitudinal assessment in relationships to continue a relationship with retail stores.

Relationship quality is measured by three dimensions: customer satisfaction, trust, and

commitment, which is developed by Bloemer and Odekerken-Schroder (2002).

Customer Perceived Value

Theoretical definition: Customer perceived value is defined as "the

customer's overall assessment of the utility of a product based on perceptions of what

is received and what is given" (Zeithaml, 1988, p. 14).

Operational definition: In this study, customer perceived value refers to

customers' overall judgment of quality and sacrifice to shop in retail stores. The

scale consists perceived quality which is developed by Yoo, Donthu, and Lee (2000)

and sacrifice which is developed by Cronin, Brady, and Hult (2000).

Marketing Mix

Theoretical definition: Marketing mix are the elements of marketing

variables (price, product, place, and promotion) that the firm uses to satisfy target

consumer groups at a profit (McCarthy, 1971).

Operational definition: In this study, marketing mix is measured by the

market mix scale, developed by Yoo et al. (2000). The scale consists of five

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dimensions of price, store image, distribution intensity, advertising spending, and

price deals.

Customer Characteristics

Theoretical definition: Customer characteristics describe personal and social

demographic of shoppers (Weilbacher, 1967).

Operational definition: In this study, customer characteristics are measured

by personal demographic and shopping characteristics such as sex, education level,

marital status, age, number of people in household (Mitt & Kamakura, 2001).

Delimitations and Scope

The delimitations of the study include:

1. The geographic area and setting of the sampling plan in this study was limited

    to Kaohsiung city, Taiwan.

2. The areas for the survey were limited to the public areas.

3. Participants were 18 years old or older.

4. Participants had prior experience shopping at the stores.

5. Participants were able to speak, read, and write Mandarin.

Organization of the Study

Chapter I provides an overall introduction and the background of the problem, the purpose of the study, and a definition of the dependent variable (customer loyalty) and independent variables (marketing mix, customer perceived value, relationship quality of customer satisfaction, trust, and commitment), and the delimitations and scope.

Chapter II discusses the review of theoretical and empirical studies about the marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment) and customer loyalty. The theoretical framework, four research questions, hypotheses (with three sub-hypotheses for each hypothesis), and the hypothesized model is presented.

Chapter III describes the quantitative, non-experimental, exploratory (comparative), and explanatory (correlational) design for testing the research hypotheses and answering the four research questions about the relationships between marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and customer loyalty in five types of Taiwanese retail stores. The description of research design, population and sampling plan, instrumentation, data coding scheme, procedures of ethical considerations and data collection methods, data analysis methods, and evaluation of research methods is addressed.

CHAPTER II

LITERATURE REVIEW, RESEARCH QUESTIONS, HYPOTHESES, AND

HYPOTHSIZED MODEL

Literature Review

Customer Loyalty

The ultimate goal for firms is to build customer loyalty (Eakuru & Mat, 2008; Reichheld & Teal, 1996). Customer loyalty is a strategy that creates mutual rewards to benefit firms and customers (Reichheld & Detrick, 2003). One benefit is that firms can increase the revenue. In return, customers acquire special benefits and feel secure. Reichheld and Sasser (1990) clearly state that an improvement of 5 percent in customer retention leads to an increase of 25 percent to 85 percent in profits. Meanwhile, Wills (2009) states that it costs more than five times as much to obtain a new customer than to keep an existing one. Furthermore, Ford Motor Company has estimated "the value of a one-point percent increase in owner loyalty to be worth $100 million in profit" (Oliver, 1997, p. 404). With loyal customers, companies can maximize their profit because loyal customers are willing to (1) purchase more frequently; (2) spend money on trying new products or services; (3) recommend products and services to others; and (4) give companies sincere suggestions

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(Reichheld & Sasser, 1990). Thus, loyalty links the success and profitability of a firm (Eakuru & Mat, 2008).

Theoretical: Customer Loyalty. Customer loyalty can be classified as brand loyalty, service loyalty, and store loyalty (Dick & Basu, 1994). In the literature, customer loyalty is commonly distinguished in three approaches: (1) behavioral, (2) attitudinal, and (3) combined attitude and behavioral loyalty approach.

Behavioral loyalty. Customer loyalty begins to be researched only by a behavioral perspective, only repeat purchasing in the late 1960s. Grahn (1969) views loyalty as "the probability of buying the same brand now as the one purchased most recently" (p. 72).

Zeithaml, Berry, and Parasuraman (1996) propose comprehensive multi-dimensional framework to measure customer behavioral intentions in services. In their research, loyal consumers have (1) high purchase intention, (2) less price sensitivity, (3) feedback to the firm (internal complaining behavior), and (4) do more business (frequent purchase and no switching).

Attitudinal loyalty. However, many researchers argue that without attitudinal dimension, strongly-held commitment is not true loyalty (Brown, 1953; Jacoby, 1971; Jacoby and Chestnut, 1978). A purely behavioral definition of loyalty fails to explain the causes of loyalty behavior. Loyalty is more than repeating

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purchasing behavior; this is spurious loyalty, not true loyalty (Dick & Basu, 1994).

A consumer may choose the same brand or shop at the same store for many reasons

other than loyalty. For example, the usual brands are not available; there is no

alternative in the store; or it is not worth the time on searching for alternatives. This

kind of repeat purchase results from repeated satisfaction, not commitment. Bennett

and Rundle-Thiele (2002) define loyalty as "the consumer's predisposition towards a

brand as a function of psychological processes" (p. 194). In their view, true brand

loyalty should include attitudinal preference and commitment towards the brand.

Attitudinal loyalty is the indicator of customers' loyal behavior (Donio, Massari, &

Passiante, 2006). This helps to prevent the switching behavior (Caceres &

Paparoidamis, 2007), and to predict how long customers will remain loyal (Jacoby &

Chestnut, 1978).

 Attitudinal loyalty interaction with behavioral loyalty. Brown (1953) first

develops a composite perspective for loyalty. Brown defines loyalty as "one who

tends to repurchase a particular brand because of some real or imaginary superiority

attributed to that brand" (p. 255). He explores that behavioral loyalty must be based

on deliberate attitude towards a brand. True loyalty defined by Jacoby (1971) is

"repeat purchasing based upon cognitive, affective, evaluative, and dispositional

factors- the classic primary component of an attitude" (p. 26). Dick, and Basu (1994)

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stress that using attitude and behavior together as loyalty is the strength of "the

relationship between the relative attitude toward an entity (brand/service/store/vendor)

and patronage behavior" (p. 100).   Based on Jacoby (1971) and Dick and Basu's

(1994) loyalty definition, Oliver (1997) finds that there is an additional stage after

conation phase, that is action.   He therefore adds the action phase to his loyalty

definition.   In his definition, loyalty involves four phases, namely cognition, affect,

conation, and action as "a deeply held commitment to rebuy or repatronize a preferred

product or service consistently in the future, despite situational influences and

marketing efforts having the potential to cause switching behavior" (Oliver, 1997, p.

392).

Oliver's (1997) perspective predicts that customers should go through four

stages to be a loyal customer. First is a cognitive sense (belief).   For example, a

customer is attracted by sales promotion or high quality products of a firm at the

first-time purchase.   This customer has to confirm that his expectations about the

goods or service are met.   Second is the affective sense (favored attitude).

Consumers are repeatedly satisfied from purchasing behavior.   This leads to the

conative stage that consumers have a behavioral intention – trust to a firm and commit

deeply to buy.   The intention leads to the fourth stage of action.   Customers have

the desire to overcome obstacles, such as attraction of other competitors or price

increase by a firm, to achieve the actual purchase behavior (Oliver, 1997). The

definitions of loyalty are shown in Table 1.

Table 1

Definitions of Loyalty

Authors	Loyalty Definitions
Bennett & Rundle-Thiele (2002)	Loyalty is the consumer's predisposition towards a brand as a function of psychological processes (p.194)
Brown (1953)	one who tends to repurchase a particular brand because of some real or imaginary superiority attributed to that brand (p. 255)
Dick & Basu (1994)	Using attitude and behavior together as loyalty was the strength of "the relationship between the relative attitude toward an entity (brand/service/store/vendor) and patronage behavior (p.100)
Grahn (1969)	The probability of buying the same brand now as the one purchased most recently (p.72)
Jacoby (1971)	Loyalty was repeat purchasing based upon cognitive, affective, evaluative, and dispositional factors- the classic primary component of an attitude (p. 26)
Oliver (1997)	Customer loyalty was a deeply held to commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior (p.392).
Zeithaml, Berry, & Parasuraman (1996)	Loyal consumers would have (1) high purchase intention, (2) less price sensitivity, (3) feedback to the firm (internal complaining behavior), (4) do more business (frequent purchase and no switch)

To summarize the above literature, attitudinal and behavioral components of

loyalty are interdependent. Loyalty without attitude is spurious loyalty, not true

loyalty. However, loyalty without behavioral phase is aborded. Viewing loyalty as

an attitude-behavior relationship allows integrated investigation of antecedents and

consequences of customer loyalty (Dick & Basu, 1994).

Empirical: Customer loyalty and independent variables. An empirical

study by Dimitriades (2006) tests the relationship among the variables of customer

satisfaction, commitment, and loyalty for four service industries (banking, retailing,

entertainment, and transportation) in Greece. The results find that (1) customer

satisfaction and loyalty are not distinctive constructs, (2) there is a significant

relationship between commitment, customer satisfaction, and loyalty, and (3) the level

of customer satisfaction and loyalty in retail industry is higher than the other service

businesses. The author suggests that (1) the transaction-specific satisfaction

measurement should be replaced by overall and cumulated satisfaction measurement

for future studies, (2) word-of-mouth communication should be included when

measuring customer loyalty, (3) the relationship between customer satisfaction and

loyalty need to be further investigated, and (4) the longitudinal studies should be

conducted in different settings.

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Liang and Wang (2007) conduct an empirical study to examine the effect of

bank's relationship efforts (financial bonding, social bonding, and structural bonding),

perceived relationship investment, relationship quality (customer satisfaction, trust,

and commitment) on behavioral loyalty in three departments of a Taiwanese bank.

The results show that first, perceived relationship quality (relationship investment)

acts as a mediating role between relationship bondings and relationship quality

(customer satisfaction).   Second, perceived relationship investment positively affects

behavioral loyalty in which there is a significant relationship between relationship

quality (customer satisfaction, trust, and commitment) and behavioral loyalty. Third,

relationship quality (customer satisfaction, trust, and commitment) is an important

mediating role between relationship bondings, perceived relationship investment, and

customer loyalty.   Fourth, path analysis shows that perceived relationship investment

has a sequence of and a positive effect on customer satisfaction, trust, commitment

and loyalty.   Satisfaction does not have the direct impact on (path to) commitment

and behavioral loyalty.   Future studies should include actual purchase behavior as

loyalty measurement.   Moreover, besides the relationship bonds of service mix,

tangible service mix, e.g. pricing, promotion, service quality, and assortment, should

be included as antecedents of relationship quality.   Finally, the model is encouraged

to be tested in different industries and other culture settings.

Eakuru and Mat (2008) examine the effects of six variables (perceived service quality, perceived value, customer satisfaction, image, commitment, and trust) on customer loyalty in a South Thailand bank. The results suggest that (1) only image among customer satisfaction, trust and commitment has a direct effect on customer loyalty; (2) perceived service quality positively affects customer satisfaction; and (3) trust and image positively affects commitment.

Caceres and Paparoidamis (2007) construct a study to examine the relationship between functional quality (commercial service, communication, delivery service, and administrative service quality), technical quality (advertising), relationship satisfaction, trust, commitment, and loyalty. The results show that (1) both functional quality and technical quality have significant effects on satisfaction; (2) satisfaction has a strong impact on trust, commitment, and loyalty; and (3) trust and commitment are the important mediating roles between satisfaction and loyalty. Trust has a significantly effect on commitment. Regarding the recommendation of future studies, the authors suggest that (1) loyalty measurement is necessary to measure actual purchasing behavior besides of examining loyalty as behavioral or attitudinal intention; (2) many studies measure customer loyalty solely from positive word-of-mouth communication, price insensitivity, or re-purchase intentions. Therefore, future research should include all these various measurements in one study;

and (3) trust and commitment vary because of different culture settings, so future studies should be conducted in different cultures.

In summary, the important findings of above studies show that all of the constructs (the marketing mix, the customer perceived value, trust, and commitment) have a positive effect on customer loyalty except customer satisfaction. Dimitriades (2006) indicates that customer satisfaction does not positively affect customer loyalty. However, satisfaction has a strong effect on trust and commitment (Dimitriades, 2006; Caceres & Paparoidamis, 2007). Moreover, trust is significantly related to commitment (Eakuru & Mat, 2008). Commitment is found to be the most important effect to predict customer loyalty (Liang & Wang, 2007; Eakuru & Mat, 2008). Therefore, trust and commitment play an important mediating role (Caceres & Pararoidamis, 2007; Liang & Wang, 2007) to strengthen the relationship between customer satisfaction and customer loyalty. This finding supports Morgan and Hunt (1994) that trust and commitment are two key mediating variables (KMV) and trust influences relationship commitment because "trust is so highly valued that parties will desire to commit themselves to such relationships" (p. 24).

From the limitations and recommendations of empirical studies suggest that first, customer loyalty should be measured by actual purchasing behavior besides of measuring by attitudinal or behavioral intention dimensions (Liang & Wang, 2007;

Caceres & Paparoidamis, 2007).   Many studies use behavioral intention to measure

customer loyalty.   Although these studies confirm that behavioral intention could

lead to customer loyalty, it is just a prediction, not the actual loyalty behavior.

Second, regarding the scale items, in most cases, loyalty is isolated measured by

positive word-of-mouth, price insensitivity, and purchase intentions.   Future studies

should include all these various measurements in one research study (Caceres &

Paparoidamis, 2007).   Third, the study of Liang and Wang (2007) focus solely on

relationship constructs of social bonding, financial bonding, and relationship bonding

variables.   They suggest that future studies should include tangible elements, such as

pricing, promotion, service quality and assortment as service mix.   These elements

can be applied to the components of marketing mix developed by McCarthy (1964)

that include product (service quality), price (pricing), promotion (promotion), and

place (product assortment).   Fourth, in the linkage of customer satisfaction and

customer loyalty, Eakuru and Mat (2008) find no support between customer

satisfaction and customer loyalty for a South Thailand bank.   Only image in the four

hypotheses (customer satisfaction, image, commitment, and trust) is related positively

to customer loyalty.   Moreover, Dimitriades (2006) uses the transaction-specific

satisfaction measurement to examine relationship of customer satisfaction,

commitment, and customer loyalty.   Results show that there is not a direct

relationship between satisfaction and loyalty. The author concludes that customer

satisfaction measurement should be replaced to overall and cumulated measurement.

Thus, the author suggests that the relationship among customer satisfaction,

commitment and loyalty should be further examined. Fifth, much of the literature

discussed relationship quality (customer satisfaction, trust, and commitment),

however, culture dramatically influences the result. Thus, researchers encourage

their models being tested in different industries and different culture settings (Liang &

Wang, 2007; Caceres & Paparoidamis, 2007; Chowdhury, Reardon, & Srivastava,

1998). The empirical studies of customer loyalty are shown in Table 2.

Table 2

Empirical Studies of Customer Loyalty

Author(s)	Purpose	Findings & Limitations
Dimitriades (2006)	Testing the relationship among the variables of customer satisfaction, commitment, and loyalty for four service industries (banking, retailing, entertainment, and transportation) in Greece.	Customer satisfaction and loyalty are not distinctive constructs; (2) there is a significant relationship between commitment, customer satisfaction, and loyalty; and (3) the transaction-specific satisfaction measurement should be replaced by overall and cumulated satisfaction measurement for future studies.

Table 2 (continued)

Empirical Studies of Customer Loyalty

Author(s)	Purpose	Findings & Limitations
Eakuru & Mat (2008)	Examining the effects of six variables (perceived service quality, perceived value, customer satisfaction, image, commitment, and trust) on customer loyalty in a South Thailand bank.	(1) Only image among customer satisfaction, trust and commitment has a direct effect on customer loyalty; (2) perceived service quality positively affects customer satisfaction; and (3) trust and image positively affects commitment.
Caceres & Paparoidamis (2007)	Examining the relationship between functional quality (commercial service, communication, delivery service, and administrative service quality), technical quality (advertising), relationship satisfaction, trust, commitment, and loyalty.	(1) Satisfaction has a strong impact on trust, commitment, and loyalty; (2) trust and commitment are the important mediating variables between satisfaction and loyalty. Trust has a significantly effect on commitment; (3) loyalty measurement is necessary to measure actual purchasing behavior besides of examining behavioral intentions; and (4) many studies measure customer loyalty in isolation from positive word-of-mouth communication, price insensitivity, or re-purchase intentions. Future research should include all these measurements in one research study.

Table 2 (continued)

Empirical Studies of Customer Loyalty

Author(s)	Purpose	Findings & Limitations
Liang & Wang (2007)	Examining the effect of bank's relationship efforts (financial bonding, social bonding, and structural bonding), perceived relationship investment, relationship quality (customer satisfaction, trust, and commitment) on behavioral loyalty in three departments of a Taiwanese bank.	Perceived relationship quality (relationship investment) acts as a mediating role between relationship bonds and relationship quality (customer satisfaction, trust, and commitment); (2) Perceived quality (relationship investment) has a sequence of and a positive effect on customer satisfaction, trust, commitment and loyalty; (3) Future studies should include actual purchase behavior as loyalty measurement; and (4) besides the relationship bonds of service mix, tangible service mix elements such as pricing, promotion, service quality, and assortment, should be included as antecedents of relationship quality.

Consequences of loyalty.   Customer loyalty has been measured by: (1) **cognitive components** including quality, cost, benefit, and belief (Chowdhury, Reardon, & Srivastava, 1998; Haelsig, Swoboda, Morschett, & Schramm-Klein, 2007; Huddleston, Whipple, Mattick, & Lee, 2009), (2) **affective elements**, including like, satisfaction, involvement, and preference (Chowdhury et al., 1998; Haelsig et al., 2007; Huddleston et al., 2009), (3) **trust and commitment** (Chiu, Hsieh, & Wang, 2008; Eakuru & Mat, 2008; Haelsig et al., 2007), (4) **purchase intention** (Bloemer &

Odekerken-Schroder, 2002; Chiu et al., 2008; Chowdhury et al., 1998 ; Cronin et al., 2000; Dimitriades, 2006; Eakuru & Mat, 2008; Liang & Wang, 2005), (5) **positive word-of-mouth communication** (Bloemer & Odekerken-Schroder, 2002; Chiu et al., 2008; Chowdhury et al., 1998 ; Cronin et al., 2000; Dimitriades, 2006; Eakuru & Mat, 2008; Liang & Wang, 2005), (6) **complaining behavior** (Ibrahim & Najjar, 2008), (7) **price insensitivity** (Bloemer & Odekerken-Schroder, 2002; Chiu et al., 2008; Dimitriades, 2006; Ibrahim & Najjar, 2008), (8) **switching behavior** (Eakuru & Mat, 2008; Ibrahim & Najjar, 2008), (9) **first choice** (Lee & Overby, 2004; Parasuraman, Zeithaml, & Malhotra, 2005; Wong & Sohal, 2006; Zeithaml et al., 1996), and (10) **do more business** (Parasuraman et al., 2005; Zeithaml et al., 1996).

Word-of-mouth communication measured by recommending a company or product (good or service) to others, encouraging others to do business, and saying positive comments to others is the most frequent measurement of customer loyalty. The second most frequent component is purchase intention as measured by continue doing business, repeat purchase, and purchase frequently. These are followed by the price insensitivity which measured by items of paying higher price, continue with price increase, and continue the relationship even if the alternatives were less expensive. Finally, the component of first choice for future purchase is revealed by many researchers as measurements. However, although many researchers

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understand the limitation of attitudinal and purchase intention and importance of actual purchasing behavior, actual purchase behavior measurement still lacks research in current empirical research.

Most studies measure customer loyalty outcome by behavioral loyalty dimensions such as word-of-mouth communication, purchase intentions, and price insensitivity (Bloemer & Odekerken-Schroder, 2002; Cronin et al, 2000; Ibrahim & Najjar, 2008). This occurs because the attitudinal components such as perceived value, satisfaction, trust, and commitment are viewed as the antecedents of customer loyalty (Bowen & Shoemaker, 2003; Donio et al., 2006; Hennig-Thurau, Gwinner, & Gremler, 2002; Ibrahim & Najjar, 2008; Liang & Wang, 2004; Wulf, Odekerken-Schroder, & Iacobucci, 2001). This confirmed the findings of Dick and Basu (1994) that viewing loyalty as an attitude-behavior relationship allows integrated investigation of antecedents and consequences of customer loyalty.

Antecedents of customer loyalty. The antecedents of customer loyalty include relationship quality of customer satisfaction (Beatson, Lings, & Gudergan, 2008; Caceres & Paparoidamis, 2007; Garbarino & Johnson, 1999; Hennig-Thurau et al., 2002; Ibrahim & Najjar, 2008; Marzo-Navarro, Pedraja-Iglesias, & Rivera-Torres, 2004; Yen & Gwinner, 2003), trust (Beatson et al., 2008), and commitment (Beatson

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et al., 2008; Garbarino & Johnson, 1999; Hennig-Thurau et al., 2002), customer

perceived value (Yoo, Donthu, & Lee, 2000), and marketing mix (Yoo et al., 2000).

Satisfaction and loyalty are highly correlative (Oliver, 1997). In his cycle of

satisfaction, satisfaction influences customers' revisited attitude and further influences

their purchase intention, and finally became loyal customers. However, Reichheld

and Aspinwall (1993) find that there is a weak link between customer satisfaction and

customer loyalty in their service-profit-chain model. There are 90 percent of

satisfied customers switching to other suppliers. Customer loyalty "differed greatly

depending on whether the customers were very satisfied or satisfied" (Heskett, Jones,

Sasser, & Schlesinger, 2008, p. 121). Satisfied customers may not return to the firm

and recommend it to others (Bowen & Shoemaker, 2003). From this study, the key

is that only high level customer satisfaction can influence customer loyalty.

Therefore, customer satisfaction is a necessity but not a strong component for loyalty.

Other variables should exist to further explain the relationship between satisfaction

and customer loyalty.

Trust is "one party's belief that its needs will be fulfilled in the future by

actions undertaken by the other party" (Anderson & Weitz, 1989, p. 312). Oliver

(1997) finds that "belief" is the key component in cognitive level of loyalty.

Customers should have a belief, confidence, and expectation when considering

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purchases.   Moreover, trust leads to commitment (Eakuru & Mat, 2008; Caceres &

Paparoidamis, 2007).   Commitment is "an enduring desire to maintain a valued

relationship" (Moorman, Zaltman, & Deshpande, 1992, p. 316).   Returning to the

definition of Oliver (1997), commitment is a key element in cognitive and conative

loyalty phases.   To build customer loyalty, businesses should have a long-term

ongoing relationship with customers.   Morgan and Hunt (1994) develop a model of

relationships that propose trust and commitment as vital to the development of

long-term relationships between buyer-seller dyad.   Trust and commitment have

been tested as the strongest antecedents of customer loyalty (Bowen & Shoemaker,

2003; Liang & Wang, 2004; Donio et al., 2006).

Bowen and Shoemaker (2003) state that satisfied customers may not return to

the firm and spread positive word-of-mouth communications to others.   One of the

reasons is that the firm does not deliver what customers need or want (Roig et al.,

2006).   Woodruff (1997) further identifies that customer satisfaction measurement

without fulfillment of customer perceived value cannot really meet the customer's

expectations.   Thus, delivering superior value to customer is building the firms'

competitive advantage (Lee & Overby, 2004; Ulaga & Chacour, 2001; Woodruff,

1997).   Customer value can reduce uncertainty and help in building trust and result

in willing to commit long-term relationship with a firm (Kim, Zhao, & Yang, 2008;

Liao & Wu, 2009; Moliner, Sanchez, Rodriguez, & Callarisa, 2007; Pura, 2005; Wulf

et al., 2001). Rust, Lemon, and Zeithaml (2001) state that firms should modify

customer satisfaction measurement to focus on examining factors, such as marketing

strategy and customer lifetime value which can really improve customer equity

(customer loyalty).

Marketing exists to deliver more value to customers as well as build a

long-term and mutually profitability relationship with customer (Kotler, 2005).

Value is the foundation stone to the success of buyer-seller relationships (Lemon et al.,

2001). If a firm's products or services do not meet the customer's needs and wants,

the marketing strategy is defective. According to Lemon et al. (2001), value is from

three key factors: (1) quality, (2) price, and (3) convenience. Quality is viewed as

goods and services quality. Price is monetary and non-monetary sacrifices.

Convenience relates to all the benefits customers received, such as time saved and

efforts to do business with the firm (Lemon et al., 2001). Quality is subsumed under

product, price is classified under price; and convenience is actually included in place

and promotion. Therefore, the marketing mix is the essential element to build

customer loyalty (Chowdhury et al., 1998; Haelsig et al., 2007; Yoo et al., 2000).

In sum, the marketing mix, the customer perceived value, customer

satisfaction, trust, and commitment are distinct determinants of customer loyalty.

The measurement of customer loyalty. Bloemer and Odekerken-Schroder

(2002) conduct a study to examine causal relationships between store image which

covers the marketing mix elements (customer relationship proneness, positive affect),

store satisfaction, trust, commitment, and customer loyalty in Belgium mid-sized

supermarket chain stores. In this study, customer loyalty is measured by a 9-point

Likert scale in three loyalty constructs of word-of-mouth communication, price

insensitivity, and purchase intentions. The Cronbach's alpha ranges from .65 to .92.

The confirmatory factor analysis was used to test instrument's validity in the study.

Further, the convergent validity was supported by a good overall model fit with all

loadings being significant (p<.01). The unidimensionality and discriminant validity

were also examined. Thus, the instrument's validity is adequate. The results show

that (1) three constructs (store image, consumer relationship proneness, and positive

affect) have a significant effect on customer satisfaction; and (2) trust and

commitment play an important mediating role between satisfaction and customer

loyalty. Commitment has the strongest impact on customer loyalty. There are two

recommendations of future studies. First, concerning store image, future research

should categorize items into four marketing mix elements, namely product, price,

place, and promotion. Meanwhile, the researchers should distinguish the differential

impact of individual items.   Moreover, a longitudinal study should be conducted

instead of the cross-sectional research.

Relationship Quality (customer satisfaction, trust, and commitment)

The main purpose for maintaining the customer relationship is the building of

loyal customers (Morgan & Hunt, 1994) that they can purchase repeatedly, spread

positive word-of-mouth communication, and become profitable customers.

According to Reichheld and Sasser (1990), retaining 5 percent of the existing

customer will result in increasing 25 percent to 85 percent in profit.   Meanwhile, it is

five times more expensive for a firm to obtain a new customer than keeping an

existing one (Keiningham, Vavra, Aksoy, & Wallard, 2006).   Furthermore,

maintaining superior customer relationship boosts customers' security toward the

seller.   In traditional marketing, buyers feel more confident about goods they buy

because these products are tangible for buyers to evaluate before purchase.   Now, the

service industries and e-commerce are growing rapidly.   Services in the simple terms

are "deeds, processes, and performances" (Zeithaml & Bitner, 1996, p. 5).   Buyers

often feel uncertainty in some conditions because services are intangible in which

buyers cannot touch and see.   The role of relationship quality is to reduce buyers'

uncertainty (Crosby, Evans, & Cowles, 1990), strengthen the relationship between

two parties (Caceres & Paparoidamis, 2007), and finally leads to customer loyalty and a firm's profit (Oliver, 1997; Reichheld & Teal, 1996).

Theoretical: Relationship quality. Relationship quality is defined as when "the customer is able to rely on the salesperson's integrity and has confidence in the salesperson's future performance because the level of past performance has been consistently satisfactory" (Crosby et al., 1990, p. 70). From this definition, relationship quality is composed of at least two constructs- trust and satisfaction. Hennig-Thurau and Klee (1997) define relationship quality as "the degree of appropriateness of the relationship to fulfill the needs of the customer associated with the relationship" (p. 752). The importance of two constructs that trust and commitment make the buyer-seller relationship more stable (Hennig-Thurau and Klee, 1997). Smith (1998) defines relationship quality as "an overall assessment of the strength of a relationship and the extent to which it meets the needs and expectations of the parties based on a history of successful or unsuccessful encounters or events (p. 78). The author conceptualizes in the relationship building buyers firstly need to trust and have the confident belief that the seller is reliable. Then satisfaction assists to strengthen the bonds of trust. Finally, commitment is the enduring desire to maintain the long-term relationship.

In summary, relationship quality is a multi-dimensional construct (Woo &

Ennew, 2004).   From the above relationship quality literature, customer satisfaction,

trust, and commitment are three interrelated constructs.   The definitions of

relationship quality are shown in Table 3.

Customer satisfaction.   Satisfaction can be separated into two types of

definition either as a process (transaction-specific satisfaction) or as an outcome

(cumulative satisfaction/ post-consumption satisfaction).   Before the early 1990s,

customer satisfaction began to be researched by a transaction-specific perspective

(Oliver, 1997).   This defines satisfaction as "a customer's evaluation of his or her

Table 3

Definitions of Relationship Quality

Authors	RQ Definitions
Crosby et al., (1990)	The customer is able to rely on the salesperson's integrity and has confidence in the salesperson's future performance because the level of past performance has been consistently satisfactory (p. 70).
Hennig-Thurau and Klee (1997)	The degree of appropriateness of the relationship to fulfill the needs of the customer associated with the relationship (p. 752)
Smith (1998)	An overall assessment of the strength of a relationship and the extent to which it meets the needs and expectations of the parties based on a history of successful or unsuccessful encounters or events (p. 78)

experience with and reactions to a particular product transaction, episode, or service

encounter" (Olsen & Johnson, 2003, p. 185).   This views satisfaction as an

independent or evaluation of a specific purchasing experience.   Since the early 1990s,

satisfaction began with an emphasis on cumulative satisfaction.   Satisfaction is

viewed as "a customer's overall evaluation of his or her purchase and consumption

experience to date" (Johnson, Anderson, & Fornell, 1995, p. 699).   In their view,

satisfaction is not an independent, one time purchasing experiences.   It is a

customer's overall judgment and cumulative purchasing experience.   They conclude

that "a transaction-specific view of satisfaction offers valuable insight into particular,

short-run product or service encounters.   However, "cumulative satisfaction is a

fundamental indicator of a market's (or firm's) current and long-run performance"

(Johnson et al., 1995, p. 699).

In the cumulative approach, satisfaction is acquired from cognition, affection,

or combined both cognition and affection.   First, satisfaction is received from

cognition and the fulfillment of consumers' expectation.   Tse and Wilton (1988)

define customer satisfaction as "the consumer's response to the evaluation of the

perceived discrepancy between prior expectations (or some other norm of

performance) and the actual performance of the product as perceived after its

consumption" (p. 204).   Howard and Sheth (1969) define satisfaction as "the buyer's

cognitive state of being adequately or inadequately rewarded for the sacrifices he has undergone" (p. 145). Make it more clearly, customer satisfaction is "an evaluation rendered that the (consumption) experience was at least as good as it was supposed to be" (Hunt, 1977, p. 459). Satisfaction is obtained through the comparison with customer's prior feelings about what he or she gives (sacrifice or expectation) and what he or she received (actual performance). Engel and Blackwell (1982) define customer satisfaction as "an evaluation that the chosen alternative is consistent with prior beliefs with respect to that alternative" (p. 501). Thus, some studies view satisfaction as the outcome of comparison with alternatives or other providers (Eakuru & Mat, 2008; Huddleston et al., 2009; Moliner et al., 2007; Sanchez-Garcia, Moliner-Tena, Callarisa-Fiol, & Rodriguez-Artola, 2007). For example, when comparing to other stores, a customer is very satisfied with this store.

Second, satisfaction is obtained from the affection - the consumer overall emotional feeling. For example, a customer is satisfied with this company or a customer has a favorable attitude to continue shopping in a store. According to Oliver (1997), satisfaction can be mainly acquired from an unappraised emotion as "the consumer's fulfillment response" (p. 319); primarily cognitive estimate as "it is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including

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levels of under- or over-fulfillment" (p. 13); or the mixture of both affection (emotion)

and cognition.   In the mixture of both affection and cognition, satisfaction is defined

as "the consumer's fulfillment response. It is a judgment that a product or service

feature, or the product or service itself, provided (or is providing) a pleasurable level

of consumption-related fulfillment, including levels of under- or over-fulfillment"

(Oliver, 1997, p. 13).   The definitions of customer satisfaction are shown in Table 4.

Table 4

Definitions of Customer Satisfaction

Authors	RQ Definitions
Engel & Blackwell (1982)	An evaluation that the chosen alternative is consistent with prior beliefs with respect to that alternative (p. 501).
Howard & Sheth (1969)	The buyer's cognitive state of being adequately or inadequately rewarded for the sacrifices he has undergone (p. 145)
Hunt (1977)	An evaluation rendered that the (consumption) experience was at least as good as it was supposed to be (p. 459)
Johnson, Anderson, & Fornell (1995)	A customer's overall evaluation of his or her purchase and consumption experience to date (p. 699)
Oliver (1997)	Satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment (p. 13)

Table 4 (continued)

Definitions of Customer Satisfaction

Authors	RQ Definitions
Olsen & Johnson (2003)	A customer's evaluation of his or her experience with and reactions to a particular product transaction, episode, or service encounter (p. 185)
Tse & Wilton (1988)	The consumer's response to the evaluation of the perceived discrepancy between prior expectations (or some other norm of performance) and the actual performance of the product as perceived after its consumption (p. 204)

Trust. In the literature, there are two general approaches to trust which are attitudinal and behavioral approach. Anderson and Weitz (1989) broadly define trust as "one party's belief that its needs will be fulfilled in the future by actions undertaken by the other party" (p. 312). Trust enables a customer to have more faith and confidence to perform the commitment and believe in the firm. However, Moorman, Deshpande et al. (1993) argue that trust is not only a belief (attitude). A customer who believes the trustworthiness of a seller, but does not have a desire to commit to the seller is the limited trust. Trust should comprise both components of attitudinal (belief, trustworthiness, confidence) and behavioral intention (reliance). Thus, Moorman et al. (1993) define trust as "a willingness to rely on an exchange partner in whom one has confidence" (p. 315). Nevertheless, researchers use

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attitudinal (cognitive or evaluative) definition of trust arguing that the connection

between trust evaluation and behavioral response should leave for empirical

examination because the behavioral response will be affected by other antecedents

(Morgan & Hunt, 1994; Sirdeshmukh, Singh, and Sabol, 2002).   Morgan and Hunt

(1994) from the cognitive approach define trust as "existing when one party has

confidence in the exchange partner's reliability and integrity" (p. 23).   Therefore,

trust requires an assessment to determine the reliability and integrity of the exchange

partner.   Sirdeshmukh et al. (2002) have the same view with Morgan and Hunt (1994)

that "trust as the expectations held by the consumer that the service provider is

dependable and can be relied on to deliver on its promises" (p. 17).   Sirdeshmukh et

al. (2002) demonstrate that trustworthy of trust including competence, benevolence,

and problem solving orientation is the most important factor for store loyalty.

From the above definition of trust, the constructs of trust include trustworthy

(competence, benevolence, problem solving orientation), confidence, reliability,

integrity, belief, expectation, dependence, reliance, and security.   The definitions of

trust are shown in Table 5.

Commitment.   Commitment is defined as "an exchange partner believing that

an ongoing relationship with another is so important as to warrant maximum efforts at

maintaining it" (Morgan & Hunt, 1994, p. 23).   Bowen and Shoemaker (2003) define

Table 5

Definitions of Trust

Authors	Trust Definitions
Anderson & Weitz (1989)	One party's belief that its needs will be fulfilled in the future by actions undertaken by the other party (p. 312)
Moorman, Deshpande, & Zaltman (1993)	A willingness to rely on an exchange partner in whom one has confidence (p. 315)
Morgan & Hunt (1994)	Trust existing when one party has confidence in the exchange partner's reliability and integrity (p. 23)
Sirdeshmukh, Singh, & Sabol (2002)	Trust as the expectations held by the consumer that the service provider is dependable and can be relied on to deliver on its promises (p. 17)

commitment as "the belief that an ongoing relationship is so important that the

partners are willing to work at maintaining the relationship and are willing to make

short-term sacrifices to realize long-term benefits" (p. 34). In the line with Morgan

and Hunt (1994) and Lacey, Suh, and Morgan (2007) define commitment as "a

customer's enduring desire to continue a relationship with a firm accompanied by his

or her willingness to make efforts at maintaining the relationship" (p. 244). From

the above definitions, commitment is not only a belief of the importance of the

continuing relationship with a firm, but also willingness and desire to maintain the

relationship with a firm and even make sacrifices for a firm.   The definitions of

commitment are shown in Table 6.

Morgan and Hunt (1994) present the key mediating variables (KMV) model.

In this model, trust and commitment are key interceding variables directing

relationship marketing success among five antecedents (relationship termination costs,

relationship benefits, shared values, communication, and opportunistic behavior) and

five outcomes variables (acquiescence, propensity to leave, cooperation, functional

conflict, and decision-making uncertainty).   They posit that commitment and trust

are two essential elements motivating buyers and suppliers to continue their

relationship and do more business together (cooperation) in the future.

Table 6

Definitions of Commitment

Authors	Commitment Definitions
Bowen & Shoemaker (2003)	The belief that an ongoing relationship is so important that the partners are willing to work at maintaining the relationship and are willing to make short-term sacrifices to realize long-term benefits (p. 34)
Lacey, Suh, & Morgan (2007)	A customer's enduring desire to continue a relationship with a firm accompanied by his or her willingness to make efforts at maintaining the relationship (p. 244)
Morgan & Hunt (1994)	An exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it (p. 23)

Meanwhile, commitment and trust help buyers and supplier to avoid switching behavior (acquiescence and propensity to leave), reduce the decision-making uncertainty, and reduce the conflict during communication. Trust is defined as "when on party has confidence in an exchange partner's reliability and integrity" (Morgan & Hunt, 1994, p. 23) and commitment is defined as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it" (Morgan & Hunt, 1994, p. 23).

In the KMV model, trust leads to commitment because trust aspire buyers and sellers to maintain their relationships. The KMV model is tested by using data from automobile tire retailers to examine relationships with their suppliers (Morgan & Hunt, 1994). The results conclude that relationship commitment and trust are significant mediating variables that lead to relationship success. The limitations of the study include: (1) a cross-sectional design should be replaced to a longitudinal sample collection plan and (2) the sampling plan using only automobile tire retailers, limited its potential generalizability. Future research should examine in other industries and culture settings.

In summary, relationship quality is viewed as mediator in most literature. Meanwhile, relationship quality includes three core variables of customer satisfaction, trust, and commitment. It captures the overall and cumulative satisfaction with sellers,

trust as the buyers' confidence in sellers, and commitment as buyers' desire to continue a relationship with sellers.

Empirical: Relationship Quality. An empirical study by Hennig-Thurau et al. (2002) test the relationships between the variables of relational benefits (confidence benefits, social benefits, and special treatment benefits), relationship quality (satisfaction and commitment), and outcome variables (word of mouth and customer loyalty) in the northwestern region of the United States. The results find that (1) trust, commitment, and customer satisfaction have a significant and strong impact on customer loyalty and word-of-mouth communication; (2) customer satisfaction and commitment are significant mediators between relational benefits and relationship outcomes; and (3) trust indirectly influences commitment through customer satisfaction. The researchers recommend that first the future studies investigating trust-commitment relationship should include customer satisfaction to help further explain this relationship. Thus, relationship quality should cover the dimensions of customer satisfaction, commitment, and trust. Second, the model should be conducted in cultures other than in North American.

Ibrahim and Najjar (2008) examine the causal relationships between relationship bonding tactics, social self-image congruity, customer's relationship orientation, relationship quality (customer satisfaction, trust, and commitment), and

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loyalty for Tunisian retail stores. The results show that (1) there are significant

effect of three independent variables of relationship bonding tactics, personality traits,

and social self-image on customer satisfaction; (2) customer satisfaction, trust, and

commitment positively influence shoppers' loyalty. A comparison of the effects on

customer loyalty, customer satisfaction is the strongest predictor, while next are trust

and commitment; (3) customer satisfaction not only has directly influence customer

loyalty, but has indirect effect on customer loyalty through trust and commitment; and

(4) the causal path of relationship quality is customer satisfaction influencing trust,

and trust influencing commitment. Regarding limitations and future studies, first,

this study examines the relational elements (financial, social, and structural) on

relationship quality. Future studies should examine other constructs that impact on

the relationship quality, such as value added services. Second, the model is

empirically tested by a Tunisian sample which is known that culture influences

dramatically in relationships. Thus, future studies should be conducted in different

culture settings.

Garbarino and Johnson (1999) construct a study to investigate the effect of

attitude components (actor satisfaction, actor familiarity, play attitudes, and theater

attitudes), relationship quality (satisfaction, trust, and commitment) on customer

loyalty (future purchase intentions) in two segmented customer groups (high and low

relational customers).   From the survey, questionnaires are randomly collected from

a professional nonprofit repertory theater company's mailing list in New York City.

The results show that first, for high relational customers (consistent subscribers), the

future intentions are determined by customers' trust and commitment rather than their

satisfaction.   Second, for low relational customers (occasional subscribers and

individual ticket buyers), customer satisfaction drives the future purchase intentions.

Third, all three variables of customer satisfaction, trust, and commitment have a

significant effect on future purchase intentions.   Regarding the limitations and

recommendations for future studies, the researchers suggest that later studies should

emphasize both transactional (marketing strategy) and relational marketing strategy

because of differing customer characteristics.   Relational strategies (relationship

quality) should be directed to high relational customers and transactional bonds

(marketing strategy) should be conducted to low relational customers.   Fourth, future

studies should examine which marketing strategy (e.g. price and promotion) enables a

firm to transfer the low relational customers into high relational customers.   The

empirical studies of relationship quality (customer satisfaction, trust, and commitment)

are shown in Table 7.

Table 7

Empirical Studies of Relationship Quality

Author(s)	Purpose	Findings & Limitations
Bloemer & Odekerken-Schroder (2002)	Examining causal relationships between store image which covers marketing mix elements (customer relationship proneness, positive affect), store satisfaction, trust, commitment, and customer loyalty in Belgium mid-sized supermarket chain stores.	(1) Three constructs (store image, consumer relationship proneness, and positive affect) have a significant effect on customer satisfaction; (2) trust and commitment play an important mediating role between satisfaction and customer loyalty. Commitment has the strongest impact on customer loyalty; and (3) concerning store image, future research should categorize items into four marketing mix elements, namely product, price, place, and promotion. Meanwhile, the researchers should distinguish the differential impact of individual items.

Table 7 (continued)

Empirical Studies of Relationship Quality

Author(s)	Purpose	Findings & Limitations
Garbarino & Johnson (1999)	Investigating the effect of attitude components (actor satisfaction, actor familiarity, play attitudes, and theater attitudes), relationship quality (satisfaction, trust, and commitment) on customer loyalty (future purchase intentions) in two segmented customer groups (high and low relational customers).	(1) Relationship quality (customer satisfaction, trust and commitment) has a significant effect on future purchasing intentions; (2) future studies should emphasize both transactional (marketing strategy) and relational marketing strategy because of differing customer characteristics; and (3) future studies should examine which marketing strategy (e.g. price and promotion) enable a firm to transfer the low relational customers into high level of loyal customers.
Ibrahim & Najjar (2008)	Examining the causal relationships between relationship bonding tactics, social self-image congruity, customer's relationship orientation, relationship quality (customer satisfaction, trust, and commitment), and loyalty for Tunisian retail stores.	(1) Customer satisfaction, trust, and commitment positively influence shoppers' loyalty. Customer satisfaction is the strongest predictor, while next are trust and commitment; (2) customer satisfaction not only has directly influence customer loyalty, but has indirect effect on customer loyalty through trust and commitment; (3) the causal path of relationship quality is customer satisfaction influencing trust, and trust influencing commitment.

Table 7 (continued)

Empirical Studies of Relationship Quality

Author(s)	Purpose	Findings & Limitations
Hennig-Thurau et al. (2002)	Testing the relationships between the variables of relational benefits (confidence benefits, social benefits, and special treatment benefits), relationship quality (satisfaction and commitment), and outcome variables (word of mouth and customer loyalty) in the northwestern region of the United States.	(1) Trust, commitment, and customer satisfaction have a significant and strong impact on customer loyalty; (2) customer satisfaction and commitment are significant mediators between relational benefits and relationship outcomes; and (3) future studies investigating trust-commitment relation should include customer satisfaction to help further explain this relationship. Thus, relationship quality should cover the dimensions of customer satisfaction, commitment, and trust.

In summary, the findings of the empirical studies shown in Table 8 include

four aspects. First, customer satisfaction, trust, and commitment have a significant

and strong impact on customer loyalty (Bloemer & Odekerken-Schroder, 2002;

Hennig-Thurau et al., 2002; Garbarino & Johnson, 1999; Ibrahim & Najjar, 2008).

Second, the models with mediators (satisfaction, satisfaction and commitment, or trust

and commitment) are greater impact than non-mediated models (Hennig-Thurau et al.,

Table 8

Important Findings for Relationship Quality

Findings	Authors
Customer satisfaction, trust, and commitment have a significant and strong impact on customer loyalty (repurchase intention, price-insensitivity, and word-of-mouth communication)	Bloemer & Odekerken-Schroder (2002); Hennig-Thurau et al., (2002); Garbarino & Johnson (1999); Ibrahim & Najjar (2008)
The models with mediators between relational bonds and customer loyalty are greater than non-mediated models	Hennig-Thurau et al., (2002); Garbarino & Johnson (1999); Ibrahim & Najjar (2008)
Satisfaction has a positive effect on trust and trust has a positive impact on commitment.	Bloemer & Odekerken-Schroder (2002); Ibrahim & Najjar (2008)

2007; Garbarino & Johnson, 1999; Ibrahim & Najjar, 2008).   Third, store image

(assortment, atmosphere and location) has the greatest impact on store satisfaction.

Fourth, regarding the interrelationship of relationship quality, satisfaction has a

positive impact on trust and commitment.   Trust has a positive impact on

commitment (Bloomer & Odekerken-Schroder, 2002; Garbarino & Johnson, 1999;

Ibrahim & Najjar, 2008).

The limitations and recommendations of the empirical studies include: (1) the

future studies should include the constructs of customer satisfaction, commitment and

trust as the dimensions of relationship quality (Hennig-Thurau et al., 2002); (2) future

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studies should be conducted in different culture settings (Bloemer &

Odekerken-Schroder, 2002; Hennig-Thurau et al., 2002; Ibrahim & Najjar, 2008); and

(3) current studies frequently examine relational bonds or relationship benefits as the

antecedents of relationship quality.   Future studies should examine other constructs

that impact on the relationship quality, such as value added services (Ibrahim &

Najjar, 2008).   Garbarino and Johnson (1999) suggest that future studies should

examine both transactional and relational marketing constructs to examine different

customers' perceptions of customer loyalty.

In the relationship quality literature, customer loyalty including behavior is the

major outcome.   Customer loyalty is the consequence of customer satisfaction is

shown in many studies (Beatson et al., 2008; Caceres & Paparoidamis, 2007; Ibrahim

& Najjar, 2008; Marzo-Navarro et al., 2004; Yen & Gwinner, 2003).   Customer

loyalty is the consequence of trust is certified (Beatson et al., 2008; Ibrahim & Najjar,

2008; Morgan and Hunt, 1994).   As well, customer loyalty is the consequence of

commitment is approved (Beatson et al., 2008; Dorsch, Swanson, & Kelley, 1998;

Ibrahim & Najjar, 2008)

Relational bonds, customer perceived value, marketing strategy (marketing

mix), and brand (store) image are frequently used antecedents in relationship quality

studies.   Marketing strategy (marketing mix) is an antecedent of customer

satisfaction is verified (Colwell, Aung, Kanetkar, & Holden, 2008; Dagger, Sweeney, & Johnson, 2007). Customer perceived value is an antecedent of customer satisfaction (Cronin et al., 2000; Eakuru & Mat, 2008; Grappi & Montanari, 2009; Lee & Overby, 2004; Omar, Musa, & Nazri, 2007) and commitment (Eakuru & Mat, 2008) is confirmed. Marketing strategy is an antecedent of customer satisfaction is supported (Bloemer & Odekerken-Schroder, 2002).

The measurement of relationship quality. Bloemer and Odekerken-Schroder (2002) conduct a study to examine causal relationships between store image which covers marketing mix elements (customer relationship proneness, positive affect), store satisfaction, trust, commitment, and customer loyalty in Belgium mid-sized supermarket chain stores. In this study, relationship quality is measured by a 9-point Likert scale in three constructs of customer satisfaction, trust, and commitment. The Cronbach's alpha ranges from .65 to .92. The confirmatory factor analysis is used to test instrument's validity in the study. Further, the convergent validity is supported by a good overall model fit with all loadings being significant (p<.01). The unidimensionality and discriminant validity are also examined. Thus, the instrument's validity is adequate.

In the study, customer satisfaction is measured by overall and cumulative satisfaction with five items: (1) Supermarket X confirms my expectations, (2) I am

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satisfied with the price/quality ratio of supermarket, (3) I am really satisfied with supermarket X, (4) In general, I am satisfied with supermarket X, and (5) In general, I am satisfied with the service I get from supermarket X. Trust is measured with dimensions of confidence and faith in three items: (1) supermarket X gives me feeling of confidence, (2) I have faith in supermarket X, and (3) Supermarket X enjoys my confidence. Commitment is measured with dimensions of desire to maintain the relationships in three items: (1) if products are cheaper at another supermarket than at supermarket X, then I go to the other supermarket, (2) if there supermarket X is not nearby, then I go to another supermarket, and (3) if I intend to go to supermarket it is easy to make me change my mind, so that I in fact go to another supermarket.

The results show that (1) three constructs (store image, consumer relationship proneness, and positive affect) have a significant effect on customer satisfaction; and (2) trust and commitment play an important mediating role between satisfaction and customer loyalty. Commitment has the strongest impact on customer loyalty. There are two recommendations for future studies. First, concerning store image, future research should categorize items into four marketing mix elements, namely product, price, place, and promotion. Meanwhile, the researchers should distinguish the differential impact of individual items. Moreover, a longitudinal study should be conducted instead of the cross-sectional research.

Customer Perceived Value

The main purpose for delivering value to customers is to develop loyal customers who can increase purchase frequency, purchase quantity, and avoid of switching behavior (Rust, Lemon, & Zeithaml, 2004). Thus, delivering customer value is the manner to building a firm's competitive advantage (Lee & Overby, 2004; Ulaga & Chacour, 2001; Woodruff, 1997). Moreover, Gummesson (1987) states that the relationship quality (trust and satisfaction) can be illustrated as the accumulated value. Moliner et al. (2007) state that the customer perceived value positively influences the tourist's trust and leads to loyalty to the travel agency. It's because customer value reduces uncertainty and helps customers building trust and commitment with a firm (Kim et al., 2008; Liao & Wu, 2009; Moliner et al., 2007; Pura, 2005; Wulf, Odekerken-Schroder, & Lacobucci, 2001).

In the literature, customer satisfaction measurement is viewed as the most influential determinant of customer loyalty (Bloemer & Odekerken-Schroder, 2002; Ibrahim & Najjar, 2008; Oliver, 1997; Zeithaml, 2000). However, several studies (Jones, 1996; Woodruff, 1997) show that satisfied customers still purchase elsewhere. The result of customer satisfaction defect is attributed to the fact that firms do not deliver value to satisfy customers' needs or wants (Roig et al., 2006). Besides, customer satisfaction is not a strong component for loyalty (Bowen & Shoemaker,

2003; Reichheld & Aspinwall, 1993).   The level of satisfaction will decline

gradually even when firms find a high satisfaction from their customers' initial

purchase (Woodruff, 1997).   Chi, Yeh, and Jang (2008) state that "customer

satisfaction will change as long as the performance of product attributes and product

benefits in the value hierarchy change" (p. 131).   Woodruff (1997) identifies that

customer satisfaction measurement without achievement of customer perceived value

cannot truly meet the customer's requirement.   In other words, customer perceived

value is the determinant of customer satisfaction (Anderson, Fornell, & Lehmann,

1994; Chi et al., 2008; Omar et al., 2007; Wulf et al., 2001) to strengthen the

buyer-seller relationship.   Clearly, both customer perceived value and customer

satisfaction are important determinants to establish customer's loyalty (Lee & Overby,

2004; McDougall & Levesque, 2000; Moliner et al., 2007; Omar et al., 2007;

Parasuraman et al., 1988).

Moreover, customer perceived value is the result of marketing strategy

(Moliner et al., 2007).   That is, a firm's marketing strategy should be developed

based on the generation of value to the customer (Bilington & Nie, 2009).   Yoo et

al.'s (2000) study confirm that marketing strategy positively influences customer

perceived value (perceived quality) and leads to customer's brand equity.

Theoretical: Customer perceived value. Customer perceived value (CPV) is identified by terms of value (Monroe, 1990; Zeithaml, 1988) or customer value (Butz & Goodstein, 1996). Zeithaml (1988) defines CPV as "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given" (p. 14). The definition is broad but a solid basis for CPV in which at least two essential conceptions are established. First, the CPV determination process is clearly presented from the definition. CPV is a result from the consumers' pre-purchase perception (expectation), evaluation during the transaction (expectation vs. received), and post-purchase (after-use) assessment (expectation vs. received). Expectation is also used in the customer satisfaction literature and is defined as "predictions made by consumers about what is likely to happen during an impending transaction or exchange" (Parasuraman, Zeithaml, & Berry, 1988, p. 17). In the service literature, expectation is defined as "desires or wants of consumers, i.e., what they feel a service provider should offer rather than would offer" (Parasuraman, et al., 1988, p. 17). From the post-purchase aspect, Butz and Goodstein (1996) define customer perceived value as "the emotional bond established between a customer and a producer after the customer has used a salient product or service produced by that supplier and found the product or provide an added value" (p. 63). Moliner et al. (2007) define customer perceived value as "a dynamic variable that is also

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experienced after consumption. It is necessary to include subjective or emotional

reactions that are generated in the tourist" (p. 199). Woodruff (1997) defines

customer perceived value from pre-purchase, transaction, and post purchase aspect

that "customer value is a customer's perceived preference for an evaluation of those

product attributes, attribute performances, and consequences arising from use that

facilitate (or block) achieving the customer's goals and purposes in use situations" (p.

142).

Second, customer perceived value involves a discrepancy between the

received benefits and sacrifices. McDougall and Levesque (2000) define perceived

value as "the results or benefits customers receive in relation to total costs which

include the price paid plus other costs associated with the purchase" (p. 3). The

benefits include customers' desired value. The sacrifices include monetary and

non-monetary (time, alternative products or alternative brands and self experiences)

sacrifices (Dodds, Monroe, & Grewal, 1991; Monroe, 1990). Moliner et al. (2007)

view value is the perceived worth in functional value of goods or service quality and

price, emotional value of feeling, and social value of social impact from

self-experiences and other alternatives. Anderson, Jain, and Chintagunta (1993)

view value in business markets as "the perceived worth in monetary units of the set of

economic, technical, service and social benefits received by a customer firm in

exchange for the price paid for a product, taking into consideration the available

suppliers' offerings and prices (p. 5). Anderson et al. (1993) consider economic,

technical, service, and social constructs as benefits as well as price paid and suppliers'

offerings and prices as sacrifices. Gale (1994) define customer value as

"market-perceived quality adjusted for the relative price of (the seller's) product" (p.

xiv). In line with Gale (1994), Monroe (1990) defines CPV as "buyers perceptions

of value represent a tradeoff between the quality or benefits they perceive in the

product relative to the sacrifice they perceived by paying the price" (p. 46).

Although various value mentioned by different authors, the proposition of

Gale (1994) and Rust et al. (2004) can be adopted to conclude that value is the ratio

between customer's perceived quality earned and price (monetary and non-monetary)

paid (Gale, 1994; Rust et al., 2004). To maximize customers' value ratio, a firm

either to decrease customers' price paid or add more value to them. The technical,

service, social, emotional, economic factors drive customers' subjective assessment

toward quality of goods or services and sacrifice they made. These factors can be

grouped into the marketing mix (product, price, place, and promotion) as technical

and service factors can be categorized into Product; social and emotional factors can

bring together to Promotion or Place; economic factor can be associated as Price.

Thus, Rust et al. (2001) conceptualize that marketing strategy is the antecedent of

customer's lifetime value and in return leads to customer equity.   The definitions of

customer perceived value are shown in Table 9.

Table 9

Definitions of Customer Perceived Value

Authors	Customer Perceived Value (CPV) Definitions
Anderson et al. (1993)	Perceived worth in monetary units of the set of economic, technical, service and social benefits received by a customer firm in exchange for the price paid for a product, taking into consideration the available suppliers' offerings and prices (p. 5)
Butz & Goodstein (1996)	The emotional bond established between a customer and a producer after the customer has used a salient product or service produced by that supplier and found the product to provide an added value (p. 63)
Gale (1994)	Market perceived quality adjusted for the relative price of your product.
McDougall & Levesque (2000)	The results or benefits customers receive in relation to total costs which include the price paid plus other costs associated with the purchase (p. 3)
Moliner et al. (2007)	A dynamic variable that is also experienced after consumption. It is necessary to include subjective or emotional reactions that are generated in the tourist (p. 199)
Monroe (1990)	Buyers' perceptions of value represent a tradeoff between the quality or benefits they perceive in the product relative to the sacrifice they perceived by paying the price" (p. 46)

Table 9 (continued)

Definitions of Customer Perceived Value

Authors	Customer Perceived Value (CPV) Definitions
Woodruff (1997)	Customer is a customer's perceived preference for an evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations (p. 142)
Zeithaml (1988)	The customer's overall assessment of the utility of a product based on perceptions of what is received and what is given (p. 14)

Empirical: Customer perceived value. An empirical study by Dagger et al.

(2007) test the mediating role of perceived service quality among service quality

dimensions (interpersonal quality, technical quality, environment quality,

administrative quality, and interaction quality), customer service satisfaction, and

customer behavioral intentions of Australian health care industry. The results find

that (1) perceived service quality and customer satisfaction both have a significant

impact on patients' behavioral intentions; (2) perceived service quality has a greater

total effect on behavioral intentions than service satisfaction; and (3) the finding

strongly support the mediating role of perceived service quality between service

quality dimensions of interpersonal quality, technical quality, environment quality,

administrative quality, and interaction quality and behavioral intentions. The authors

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suggest that the longitudinal study should be conducted in the future studies.

Meanwhile, to increase confidence in the research model, future research could be applied in other service environments.

Moliner et al. (2007) examine how perceived value of a tourism package influences customer satisfaction, trust, and commitment for Spanish tourists in the purchase of tourism packages.   The dimensions of customers' perceived value include (1) functional value (service/product quality, price, and professionalism), (2) emotional value (feelings), and (3) social value (social approval).   The results show that (1) customer perceived value (functional value, emotional value, and social value) has a direct or indirect effect on customer satisfaction, trust, and commitment; (2) the path analysis shows that customer satisfaction influences trust and affective commitment.   Trust positively affects commitment.   To satisfy customers, the authors recommend that managers should deliver more value to customers through product quality, service quality, and good price.   The limitations and recommendations of the study include that first, it is important to incorporate the attitudinal and the behavioral purchase behavior in future studies.   Second, personal experience and sybaritic factor perform an essential role in choosing tourism packages. Future studies should be examined customers' perceived value toward a tourism destination.   Moreover, the model is encouraged to test in different industries.

Kim et al. (2008) develop a theoretical model based on Oliver's (1997)

four-stage cognitive-affective-conative-action model to examine a causal relationship

among customer perceived value, customer satisfaction, trust, and customer

commitment in electronic commerce (E-CRM).   In the study, perceived service

quality, perceived product quality, and perceived price fairness are the first order and

cognitive constructs.   Perceived value (perceived service quality) and satisfaction are

viewed as affective constructs.   Trust and commitment are considered as conative

constructs.   The results consist with Oliver's (1997) four-stage loyalty model

(cognitive – affective – conative – action) that perceived value influences satisfaction

both have a positive effect on trust and result in commitment to a long-term

relationship.   Thus, trust is a mediating role between customer perceived value,

satisfaction, and commitment.   The limitations and future research direction include

(1) the constructs in the framework need to be tested with multidimensional

measurements and (2) the research findings gathered from university students need

greater generalization in business-to-customer (B2C) e-commerce environment.   The

empirical studies of customer perceived value are shown in Table 10.

Table 10

Empirical Studies of Customer Perceived Value

Author(s)	Purpose	Findings & Limitations
Cronin et al. (2000)	Examining the effects of service quality, perceived value, and customer satisfaction on consumer behavioral intention in service environments.	There is an insignificant relationship between sacrifice and service value. The service value is mainly received from perceptions of quality. That is, service consumers view service quality of greater importance than the sacrifices they made.
Dagger et al. (2007)	Testing the mediating role of perceived service quality among service quality dimensions (interpersonal quality, technical quality, environment quality, administrative quality, and interaction quality), customer service satisfaction, and customer behavioral intentions of Australian health care industry.	(1) Perceived service quality and customer satisfaction both have a significant impact on patients' behavioral intentions; (2) perceived service quality has a greater total effect on behavioral intentions than service satisfaction; (3) the finding strongly support the mediating role of perceived service quality between service quality dimensions of interpersonal quality, technical quality, environment quality, administrative quality, and interaction quality and behavioral intentions.
Kim et al. (2008)	Examining relationship among customer perceived value, customer satisfaction, trust, and customer commitment in (E-CRM).	(1) The results consist with Oliver's loyalty model that perceived value influences satisfaction. Both of them have a positive effect on trust and result in commitment to a long-term relationship.

Table 10 (continued)

Empirical Studies of Customer Perceived Value

Author(s)	Purpose	Findings & Limitations
Moliner et al. (2007)	Examining how perceived value of a tourism package influences customer satisfaction, trust, and commitment for Spanish tourists in the purchase of tourism packages.	(1) Customer perceived value (functional value, emotional value, and social value) has a direct or indirect effect on customer satisfaction, trust, and commitment; (2) the path analysis shows that customer satisfaction influences trust and affective commitment. Trust positively affects commitment; (3) to satisfy customers, the authors recommend that managers should deliver more value to customers through product quality, service quality, and good price; (4) it is important to incorporate the attitudinal and the behavioral purchase behavior in future studies.
Yoo et al. (2000)	Exploring the relationships between selected marketing mix elements and total brand equity through the mediating role of three brand equity dimensions, that is, (1) perceived quality, (2) brand loyalty, and (3) brand associations combined with brand awareness.	(1) No direct path between marketing mix variables and total brand equity. Total brand equity is indirectly affected through the mediating brand equity dimensions of perceived quality, brand loyalty, and brand associations; (2) lowing price decreases customer perceived quality; and (4) customer perceive the high quality products from high advertising spending, high price, good store image, and high intensive distribution.

The important findings of the above studies show that customer perceived value (CPV) directly influences customer satisfaction (Moliner, 2006) and customer loyalty (Dagger et al., 2007). CPV has either a direct impact on trust (Kim et al., 2008) or an indirect impact on trust through customer satisfaction (Moliner et al., 2006). CPV has an indirect impact on commitment through trust (Kim et al., 2008) or through customer satisfaction (Moliner et al., 2007). Customer perceived value (CPV) is a mediator between service quality and customer behavioral intentions (Dagger et al., 2007) as well as marketing mix elements and total brand equity (Yoo et al., 2000).

Moreover, customer perceived value can be viewed as a first order construct, that is, an independent variable (Dagger et al., 2007; Kim et al., 2008; Moliner et al., 2007) or a mediating variable (Kim et al., 2008; Yoo et al., 2000). Dagger et al. (2007) measure CPV from five dimensions of interpersonal quality, technical quality, environment quality, administrative quality, and interaction quality. Kim et al. (2007) measure CPV from three dimensions of perceived service quality, perceived product quality, and perceived price fairness. When CPV is a mediator, researchers (Dagger et al., 2007; Kim et al., 2008; Yoo et al., 2000) measure it from customer perceived quality aspect. It is because customer perceived service quality is defined as the overall assessment about technical, environmental, social, and emotional

factors.   From the limitations and recommendations of the above studies suggest that

the framework should be tested in different product types (services or industrial

products), different industries, and different cultures (Dagger et al., 2007; Moliner et

al., 2007; Yoo et al., 2000).

The measurement of customer perceived value.   Yoo et al. (2000) propose

a framework to explore the relationships between selected marketing mix elements

and total brand equity through the mediating role of three brand equity dimensions,

that is, (1) perceived quality, (2) brand loyalty, and (3) brand associations combined

with brand awareness.   From the sample, 569 responses are collected in a major state

university.   Regarding the measurement model Cronbach's reliability, exploratory

factor analysis, and confirmatory factor analysis are used to select and assess the final

items.   Perceived quality is measured by a 5-point Likert scale in six items, with

$\alpha=.93$.   The results show that (1) no direct path between marketing mix variables and

total brand equity.   Total brand equity is indirectly affected through the mediating

brand equity dimensions of perceived quality, brand loyalty, and brand associations

combined with brand awareness, (2) frequent price promotions, such as price deals,

have a negative relationship to brand equity, (3) lowing price decreases customer

perceived quality.   Consumers may perceive that a lower price is made by cutting

product quality to maintain profit margins, and (4) customer perceive the high quality

products from high advertising spending, high price, good store image, and high intensive distribution.

Many researchers (Cronin et al., 2000; McDougall & Levesque, 2000; Moliner et al., 2007) state that value is a tradeoff between benefit (quality) and sacrifice. Besides receiving benefit of service quality, monetary and non-monetary sacrifices are often used to measure customer value. Cronin et al. (2000) conduct a study to examine the effects of service quality, perceived value, and customer satisfaction on consumer behavioral intention in service environments. Customer perceived value is measured by a 9-point Likert scale ranging from "very low" to "very high" in three items: (1) the price charge to use this facility is, (2) the time required to use this facility is, and (3) the effort that I must make to receive the services offered is. The construct reliability for the scale is .69. The results indicate that there is an insignificant relationship between sacrifice and service value. The service value is mainly received from perceptions of quality. That is, service consumers view service quality of greater importance than the sacrifices they made.

Marketing Mix

Marketing exists because of unfulfilled needs and desires of people (Kotler, 2005). Thus, the objective of any marketing strategy is to deliver more value to customers as well as build a long-term and mutually profitability relationship with

customers (Dick & Basu, 1994; Rust et al., 2001). Boone and Kurtz (1998) define

marketing as "a process of planning and executing the conception, pricing, promotion,

and distribution of ideas, goods, services, organizations, and events to create and

maintain relationships that will satisfy individual and organizational objectives" (p. 9).

However, Kotler (2005) views marketing as "the science and art of exploring, creating,

and delivering value to satisfy the needs of a target market at a profit" (p. 1). From

the definition, marketing is moving to the following directions. First, marketing has

changed from make-and-sell (product-centric) to sense-and-respond (customer-centric)

marketing (Kotler, 2005). Therefore, pursuing customer value, customer satisfaction,

and customer retention is now the focus rather than seeking market share and

customer acquisition (Kotler, 2005).

Theoretical: Marketing mix. The marketing mix is defined as "the mix of

controllable marketing variables that the firm uses to pursue the desired level of sales

in the target market" (Churchill & Peter, 1995, p. 16). In the literature, many

researchers criticize that McCarthy's (1971) marketing model (4Ps) is

oversimplifications. For example, Waterschoot and Van Den Bulte (1992) state that

the distinguishing four categories of product, price, place, and promotion have never

been explicated. Researchers have proposed adding other elements to the 4Ps or

have proposed different model, for example, Dennis, Fenech, and Merrilees' (2005)

7Cs model.   Nevertheless, the four Ps of the marketing mix have become the

worldwide acceptable marketing model and have had an extraordinary effect on

marketing practice (Gronroos, 1994).   Meanwhile, Kotler (2005) states that the 4Ps

model still provides a valuable framework for marketing planning.   However, sellers

should consider more on customers' perception in that a product can be recognized as

customer value; price can be regarded as customer costs; place can be reflected as

customer convenience; and promotion can be viewed as customer communication.

Kotler (2005) states that the number of elements included in the marketing mix are

not important.   The main point is that specific elements contained in the marketing

mix should deliver more value, build a long-term and mutually profitability

relationship with customers.

McCarthy (1971) reduces the number of elements in the marketing mix to four

basic ones and defines marketing mix as mix of four marketing variables (4Ps),

namely, product, price, place, and promotion that a firm uses to satisfy customers at a

profit.   Developing a marketing mix requires two correlated steps.   One is the

selection of the target market.   The other is development of a marketing mix strategy

to fulfill the needs and wants of target customers (McCarthy, 1971).   The 4Ps are

integrated, interrelated and equally important (McCarthy, 1971).   When a marketing

mix is selected, "all decisions about the P's should be made at the same time" (McCarthy, 1971, p. 46).

Product.   For the product, McCarthy (1971) considers both tangible (goods) and intangible (services) products which include services quality, service facilities, branding, packaging, standardization and grading.

Place.   The function of place is to "match supply capabilities to the demands of the many target markets, moving goods wherever they are needed" (McCarthy, 1971, p. 371).   The term place refers to "all the factors that go into providing the time, and place, and possession utilities needed to satisfy target customers" (McCarthy, 1971, p. 371).

Promotion.   McCarthy (1971) considers that "promotion is communication between seller and buyer" (p. 513) which includes advertising, personal selling, sales promotion, tools of publicity, public relations, and various other forms of promotion. Promotion is vital, but not the only element of marketing strategy.

Price.   Price decisions affect both a firm's sales and profits, so price is always a consideration (McCarthy, 1971).   Price is defined as "any transaction in our modern economy can be thought of as an exchange of money-the money being the price-for something" (McCarthy, 1971, p. 596).

Empirical: Marketing mix. The empirical study by Huddleston et al. (2009) examines the relationship between the marketing mix (product assortment, price, quality, and service) and customer satisfaction for American grocery customers. Meanwhile, the study investigates which elements of marketing mix have the greatest impact on customer satisfaction. Finally, the study compares customer perceptions concerning satisfaction between conventional grocery stores and specialty grocery stores. The marketing mix elements include five dimensions of product assortment, price, quality, employee service, and loyalty-building service. From the sample, 630 responses are collected from American conventional grocery stores and 494 responses are collected from specialty grocery stores (e.g. whole foods market). The results show that first, all marketing mix elements positively relate to store satisfaction. The degree of marketing elements influence on customer satisfaction differs by store types. For conventional stores, the degree of influence is in the following order: product assortment, price, employee service, and quality. For specialty stores, the constructs are in following order: employee service, price, product assortment, and quality. Second, customer satisfaction, product assortment, quality, and employee service are statistically and significantly greater for specialty stores than for conventional stores. The limitations and recommendations for future studies are listing as follows. First, the sample is derived from households in selected ZIP codes

where specialty stores located. Thus, the sample population may not be representative of the overall U.S. population. Second, the constructs that the authors selected focus on those that sellers can fix and adapt quickly and easily. Future studies could examine other constructs, such as store location.

An empirical study by Cengiz and Yayla (2007) tests the relationship between marketing mix, perceived value, perceived quality, customer satisfaction, and customer loyalty in Turkey. There are three important findings. First, marketing mix elements have an important influence on customer loyalty. Particularly, price and promotion have significant effects on customer loyalty (indirectly). Second, price, place, and perceived quality have positive effects on perceived value. Third, promotion and perceived quality have direct effects on customer satisfaction. Product has an indirect influence on customer satisfaction. Regarding the recommendations of future studies, the longitudinal research should be conducted instead of the cross-sectional research. Moreover, the model should be tested in different industries or country settings.

Haelsig et al. (2007) conduct a study to examine the relationship between store attributes (service quality, price, assortment, advertising, and store design) and customer brand equity (likeability, commitment, willingness to recommend, trustworthiness, and differentiation) in five German retail sectors (grocery, textiles,

do-it-yourself (DIY), consumer electronics and furniture retailing). The results show

that five store attributes have a positive effect on customer brand equity. Customer

service is the strongest factor influencing retail brand equity. Regarding the

limitations and recommendations of future studies, first, the authors state that all five

store attributes cannot be viewed isolated. They need to be viewed as a whole.

Second, the integration of actual purchasing behavior into customer loyalty

measurement should be included. Third, the model should be further tested in

foreign countries. The empirical studies of marketing mix are shown in Table 11.

Table 11

Empirical Studies of Marketing Mix

Author(s)	Purpose	Findings & Limitations
Cengiz & Yayla (2007)	Testing the relationship between marketing mix, perceived value, perceived quality, customer satisfaction, and customer loyalty in Turkey.	(1) Marketing mix elements have an important influence on customer loyalty. Especially, price and promotion have significant effects on customer loyalty (indirectly); (2) price, place, and perceived quality have positive effects on perceived value; (3) promotion and perceived quality have direct effects on customer satisfaction. Product has an indirect influence on customer satisfaction.

Table 11 (continued)

Empirical Studies of Marketing Mix

Author(s)	Purpose	Findings & Limitations
Haelsig et al. (2007)	Examining the relationship between store attributes (service quality, price, assortment, advertising, and store design) and customer brand equity (likeability, commitment, willingness to recommend, trustworthiness, and differentiation) in five German retail sectors.	(1) Five store attributes (marketing mix) have a positive effect on customer brand equity. Customer service is the strongest factor influencing retail brand equity; (2) all five store attributes (marketing mix) cannot be viewed isolated. They need to be viewed as a whole; and (3) the integration of actual purchasing behavior into customer loyalty measurement is required.
Huddleston et al. (2009)	Examining the relationship between marketing mix (product assortment, price, quality, and service) and customer satisfaction for American grocery customers.	(1) Marketing mix elements all positively relate to store satisfaction. The influence degree of marketing elements to customer satisfaction differs by store types and (2) the constructs that the authors selected focus on the constructs that sellers can fix and adapt quickly and easily. Future studies could examine other constructs, such as store location.

In summary, the marketing mix (4Ps) has a significant impact on customer

perceived value (Cengiz & Yayla, 2007), relationship quality of customer satisfaction,

trust, and commitment (Bloemer & Odekerken-Schroder, 2002; ; Haelsig et al., 2007; Huddleston et al., 2009), and customer loyalty (Cengiz & Yayla, 2007; Haelsig et al., 2007).

The measurement of the marketing mix. Yoo et al. (2000) propose a framework to explore the relationships between selected marketing mix elements and total brand equity through the mediating role of three brand equity dimensions, that is, (1) perceived quality, (2) brand loyalty, and (3) brand associations combined with brand awareness. From the sample, 569 responses are collected in a major state university. Regarding the reliability, Cronbach's alpha above .80 (price=.88, store image=.84, distribution intensity=.87, advertising spending=.87, price deals=.80, perceived quality=.93) shows the internal consistency reliability. The factor loading ranges from .74 to .94 for the dimension of price, from .62 to .93 for the dimension of store image, from .56 to .95 for the dimension of distribution intensity, from .66 to .93 for the dimension of advertising spending, from .59 to .94 for the dimension of price deals. Further, the analysis with an orthogonal rotation technique is used to confirm similar factor patterns, confirming discriminant and convergent validity of measures. Thus, the construct validity was obtained. The marketing mix elements include five constructs with a total of 15 items: three items each for the marketing mix price, store image, distribution intensity, advertising spending, and price promotions.

The results show that (1) no direct path between marketing mix variables and total brand equity. However, total brand equity is indirectly affected through the mediating brand equity dimensions of perceived quality, brand loyalty, and brand associations combined with brand awareness; (2) frequent price promotions, such as price deals, have a negative relationship to brand equity; (3) lowing price decreases customer perceived quality. Consumers may perceive that a lower price is made by reducing product quality to maintain profit margins; and (4) customers perceive that the high quality products are from high advertising spending, high price, good store image, and high intensive distribution.

Summary

The purpose of above theoretical and empirical literature is to examine the influence of marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment) on customer loyalty and to identify areas of future scholarly inquiry. The summary of theoretical and empirical literature about the constructs of marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and customer loyalty will be presented as follows.

Summary of Theoretical Literature

Customer loyalty.   The loyalty theoretical literature can be classified as

brand loyalty, service loyalty, and store loyalty (Dick & Basu, 1994).   In the

literature, customer loyalty is commonly distinguished in three approaches.   First is

behavioral loyalty approach (Grahn, 1969).   Second is attitudinal loyalty approach

(Bennett & Rundle-Thiele, 2002; Brown, 1953, Jacoby, 1971; Jacoby and Chestnut,

1978).   In their view, true loyalty should include attitudinal preference and

commitment towards the brand.   They criticize that a purely behavioral definition of

loyalty failed to explain the causes of loyalty behavior.   Third is integration of

attitudinal and behavioral loyalty approach (Brown, 1953; Dick & Basu, 1994; Jacoby,

1971; Jacoby & Chestnut, 1978; Oliver, 1997).   The attitudinal loyalty helps to

examine the factors of loyalty, to avoid switching behavior (Caceres & Paparoidamis,

2007), and to predict how long customers will remain loyal (Jacoby & Chestnut,

1978).   Actually, loyalty without behavioral dimension is aborded.   Therefore,

viewing loyalty as an attitude-behavior relationship allows integrated investigation of

antecedents and consequences of customer loyalty (Dick & Basu, 1994).   Thus, in

Oliver's (1997) model, loyalty involves four stages from attitudinal and behavioral

phases, namely cognition, affect, conation, and action and is defined as "a deeply held

commitment to rebuy or repatronize a preferred product or service consistently in the

future, despite situational influences and marketing efforts having the potential to cause switching behavior" (p. 392).

Relationship quality. The role of relationship quality is to reduce buyers' uncertainty (Crosby et al., 1990), strengthen the relationship between two parties (Caceres & Paparoidamis, 2007), and finally leads to customer loyalty and a firm's profit (Oliver, 1997). Smith (1998) defines relationship quality as "an overall assessment of the strength of a relationship and the extent to which it meets the needs and expectations of the parties based on a history of successful or unsuccessful encounters or events" (p. 78). The author conceptualizes in the relationship building buyers firstly need to belief that the seller is reliable. Then satisfaction assists to strengthen the bonds of trust. Finally, commitment is the enduring desire to maintain the long-term relationship. Thus, relationship quality captures at least three components of satisfaction, trust, and commitment.

Satisfaction can be separated into two approaches either as a transaction-specific satisfaction (Olsen & Johnson, 2003) or as a cumulative satisfaction/ post-consumption satisfaction (Oliver, 1997). After 1990s, many researchers view satisfaction as customers' cumulative, after purchase, and overall judgment about purchasing behavior (Johnson et al., 1995; Engel & Blackwell, 1982; Hunt, 1977; Oliver, 1997; Tse & Wilton, 1988). According to Oliver (1997),

satisfaction is defined from the mixture of both affection (emotion) and cognition approach as "the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment" (Oliver, 1997, p. 13).

Trust and commitment are also the key components boosting buyer-seller network prosperity. Morgan and Hunt (1994) present the key mediating variables (KMV) model in which trust and commitment are key interceding variables between five antecedents (relationship termination costs, relationship benefits, shared values, communication, and opportunistic behavior) and five outcomes variables (acquiescence, propensity to leave, cooperation, functional conflict, and decision-making uncertainty). Trust is defined as "when one party has confidence in an exchange partner's reliability and integrity" (Morgan & Hunt, 1994, p. 23). Commitment is defined as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it" (Morgan & Hunt, 1994, p. 23). In the KMV model, trust leads to commitment because trust motivates sellers and buyers to maintain their relationship. The KMV model is tested by using data from automobile tire retailers to examine relationships with their suppliers (Morgan & Hunt, 1994). The results conclude that

relationship commitment and trust are significant mediators that lead to relationship success.

Customer perceived value. *Customer perceived value is identified by terms of value* (Monroe, 1990; Zeithaml, 1988) or customer value (Butz & Goodstein, 1996). Zeithaml (1988) defines CPV as "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given" (p. 14). The definition is a solid basis for CPV in which at least two essential conceptions are established. First, CPV is a result from the consumers' pre-purchase perception (expectation), evaluation during the transaction (expectation versus received), and post-purchase (after-use) assessment (expectation versus received). Second, CPV involves a discrepancy between the received benefits and sacrifices. The benefits include customers' desired value such as customer perceived quality of goods or services. The sacrifices include monetary or non-monetary (time, alternative products or alternative brands and self experiences) sacrifices (Dodds, Monroe, & Grewal, 1991; Monroe, 1990). Gale (1994) and Rust et al. (2004) posit that value is the ratio between customer's perceived quality earned and price (monetary and non-monetary) paid.

Marketing mix. McCarthy (1971) reduces the number of elements in the marketing mix to four basic ones (4Ps) and defines the marketing mix as four

marketing variables, namely, product, price, place, and promotion that a firm uses to

satisfy customers at a profit.   Developing a marketing mix requires two correlated

steps.   One is the selection of the target market.   The other is development of a

marketing mix strategy to fulfill the needs and wants of target segments (McCarthy,

1971).   The 4Ps are integrated, interrelated and equally important (McCarthy, 1971).

When a marketing mix is selected, "all decisions about the P's should be made at the

same time" (McCarthy, 1971, p. 46).   The marketing mix has become the worldwide

acceptable marketing model and has had an extraordinary effect on marketing practice

(Gronroos, 1994; Kotler, 2005).   The important findings of theoretical literature are

shown in Table 12.

Table 12

Important Findings of Theoretical Literature

Constructs	Authors	Findings
Customer Loyalty	Oliver (1997)	Loyalty involves four phases, namely cognition, affection, conation, and action phases and is defined as a repeat purchase behavior based on favorable attitude towards products or services.
Relationship Quality	Smith (1998)	In the relationship building, buyers firstly need to believe that seller is reliable. Then satisfaction assists to strengthen the bonds of trust. Then, commitment is the enduring desire to maintain the long-term relationship.

Table 12 (continud)

Important Findings of Theoretical Literature

Constructs	Authors	Findings
Customer Satisfaction	Oliver (1997)	Satisfaction is viewed as customers' cumulative and overall judgment about purchasing behavior and is mixed from both affection (emotion) and cognition approach.
Trust and Commitment	Morgan & Hunt (1994)	Trust and commitment are key components boosting buyer-seller relationship prosperity. In their model, trust leads to commitment.
Customer Perceived Value	Monroe (1990)	Customer perceived value is tradeoff between benefits customers received and sacrifices they made. The benefits include customers' desired value such as customer perceived quality of goods or services. The sacrifices include monetary or non-monetary prices.
Marketing Mix	McCarthy (1971)	Marketing mix is defined as mix of four marketing variables (4Ps), namely, product, price, place, and promotion that a firm uses to satisfy customers' needs and wants at a profit. 4Ps are interrelated and should be considered at the same time.

Summary of Empirical Literature

The important findings of empirical studies include: (1) relationship quality (customer

satisfaction, trust, and commitment) has a significant and strong impact on customer

loyalty (Caceres & Pararoidamis, 2007; Garbarino & Johnson, 1999; Hennig-Thurau

et al., 2002; Ibrahim & Najjar, 2008); (2) relationship quality is a mediating role

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between perceived value (relationship quality) and customer loyalty (Liang & Wang, 2007); (3) path analysis shows about customer satisfaction has a sequence of and a positive effect on trust and commitment (Moliner et al., 2007); and (4) trust affects commitment. Trust and commitment play an important mediating role to strengthen the relationship between customer satisfaction and customer loyalty (Bloomer & Odekerken-Schroder, 2002; Caceres & Pararoidamis, 2007; Garbarino & Johnson, 1999; Ibrahim & Najjar, 2008; Kim et al., 2008; Liang & Wang, 2007; Moliner et al., 2007); (5) path analysis shows about customer perceived value (perceived relationship quality) has a sequence of and a positive effect on customer satisfaction, trust, commitment, and customer loyalty (Liang & Wang, 2007; Ibrahim & Najjar, 2008; Kim et al., 2008); (6) customer perceived quality and customer satisfaction both have a significant impact on customer behavioral intentions. Customer perceived quality has a stronger effect on behavioral intentions than customer satisfaction (Dagger et al., 2007); (7) customer perceived quality (perceived relationship investment) is a mediator between relationship bonds and relationship quality of customer satisfaction, trust, and commitment (Liang & Wang, 2007; Ibrahim & Najjar, 2008); (8) marketing strategy has a great impact on customer perceived value (Cengiz & Yayla, 2007), customer satisfaction (Cengiz & Yayla, 2007; Huddleston et al., 2009), and customer loyalty (Cengiz & Yayla, 2007; Haelsig et al., 2007); and (9) marketing strategy (4Ps)

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cannot be viewed isolated.   They should be considered at the same time (Haelsig et

al., 2007).   The important findings of empirical literature are shown in Table 13.

Table 13

Important Findings of Empirical Literature

Findings	Authors
Relationship quality (customer satisfaction, trust, and commitment) has a significant and strong impact on customer loyalty.	Caceres & Pararoidamis (2007); Garbarino & Johnson (1999); Hennig-Thurau et al. (2002); Ibrahim & Najjar (2008)
Relationship quality is a mediating role between perceived value (relationship quality) and customer loyalty.	Liang & Wang (2007)
Path analysis shows about customer satisfaction has a sequence of and a positive effect on trust and commitment.	Moliner et al. (2007)
Trust affects commitment. Trust and commitment play an important mediating role to strengthen the relationship between customer satisfaction and customer loyalty	Bloomer & Odekerken-Schroder (2002); Caceres & Pararoidamis (2007); Garbarino & Johnson (1999); Ibrahim & Najjar (2008); Kim et al. (2008); Liang & Wang (2007); Moliner et al. (2007)
Path analysis shows about customer perceived value (perceived relationship quality) has a sequence of and a positive effect on customer satisfaction, trust, commitment, and customer loyalty.	Liang & Wang (2007); Ibrahim & Najjar (2008); Kim et al. (2008)

Table 13 (continued)

Important Findings of Empirical Literature

Findings	Authors
Customer perceived quality and customer satisfaction both have a significant impact on customer behavioral intentions. Customer perceived quality has a stronger effect on behavioral intentions than customer satisfaction.	Dagger et al. (2007)
Customer perceived quality (perceived relationship investment) is a mediator between relationship bonds and relationship quality of customer satisfaction, trust, and commitment.	Liang & Wang (2007); Ibrahim & Najjar (2008)
Marketing strategy has a great impact on customer perceived value, customer satisfaction, and customer loyalty.	Cengiz & Yayla (2007); Haelsig et al. (2007); Huddleston et al. (2009)
Marketing strategy (4Ps) cannot be viewed isolated. They should be regarded as a whole.	Haelsig et al. (2007)

The important limitations and recommendations of empirical studies consist:

(1) customer satisfaction and loyalty are not distinctive constructs (Dimitriades, 2006).

However, customer satisfaction does not have a positive effect on customer loyalty

(Eakuru & Matt, 2008). Thus, the relationship between customer satisfaction and

customer loyalty should be further investigated (Dimitriades, 2006); (2) besides of

attitudinal and behavioral intentions aspects, actual purchasing behavioral should be

included when measuring customer loyalty (Liang & Wang, 2007; Haelsig et al., 2007;

Moliner et al., 2007); (3) future research should include loyalty measurements of word-of-mouth communication, price insensitivity, and purchase intentions in one research study (Caceres & Pararoidamis, 2007); (4) the transaction-specific satisfaction measurements should be replaced by cumulated satisfaction measurements (Dimitriades, 2006); (5) the future studies investigating the relation of trust and commitment should include customer satisfaction to help further explain the relationship (Hennig-Thurau et al., 2002); (6) in addition to the intangible elements of the marketing mix elements (relationship bondings), future studies should examine the effect of tangible elements such as pricing, promotion, service quality, and assortment on relationship quality and customer loyalty (Liang & Wang, 2007; Garbarino & Johnson, 1999; Ibrahim & Najjar, 2008); (7) future studies should examine which marketing strategies (e.g. price and promotion) enable a firm to motivate customers to high-level loyal customers (Garbarino & Johnson, 1999); (8) the items of store image should be categorized into four marketing mix elements, namely product, price, place, and promotion (Bloemer & Odekerken-Schroder, 2002); and (9) future studies should be conducted in different industries and culture settings and the longitudinal research should be conducted instead of the cross-sectional research (Bloemer & Odekerken-Schroder, 2002; Dagger et al., 2007; Eakuru & Matt,

2008; Moliner et al., 2007; Yoo et al., 2000).   The important limitations and

recommendations of empirical studies are shown in Table 14.

Table 14

Important limitations and recommendations of empirical studies

Limitations and Recommendations	Authors
Customer satisfaction and loyalty are not distinctive constructs. Customer satisfaction does not have a positive effect on customer loyalty. Thus, the relationship between customer satisfaction and customer loyalty should be further investigated.	Dimitriades (2006); Eakuru & Matt (2008)
Besides of attitudinal and behavioral intentions aspects, actual purchasing behavioral should be included when measuring customer loyalty.	Liang & Wang (2007); Haelsig et al. (2007); Moliner et al. (2007)
Future research should include loyalty measurements of word-of-mouth communication, price insensitivity, and purchase intentions in one research study.	Caceres & Pararoidamis (2007)
Transaction-specific satisfaction measurements should be replaced by cumulated satisfaction measurements.	Dimitriades (2006)
Besides the intangible elements of marketing mix elements (relationship bondings), future studies should examine the tangible elements such as pricing, promotion, service quality, and assortment on relationship quality and customer loyalty.	Liang & Wang (2007); Garbarino & Johnson (1999); Ibrahim & Najjar (2008)

Table 14 (continued)

Important limitations and recommendations of empirical studies

Limitations and Recommendations	Authors
Future studies should examine which marketing strategies (e.g. price and promotion) enable a firm to transfer customers to high-level loyal customers.	Garbarino & Johnson (1999)
Items of store image should be categorized into four marketing mix elements, namely product, price, place, and promotion.	Bloemer & Odekerken-Schroder (2002)
Future studies should be conducted in different industries and culture settings. Meanwhile, the longitudinal research should be conducted instead of the cross-sectional research.	Bloemer & Odekerken-Schroder (2002); Dagger et al. (2007); Eakuru & Matt (2008); Haelsig et al. (2007); Moliner et al. (2007); Yoo et al.(2000)

Theoretical Framework

Based on Oliver's (1997) four-stages customer loyalty model, Hennig-Thurau

and Klee's (1997) model, and Morgan and Hunt's (1994) key mediating model, three

constructs of relationship quality (customer satisfaction, trust, and commitment) are

interrelated and have significant effects on customer loyalty.   Meanwhile, customer

perceived value is an antecedent of customer satisfaction, trust, commitment, and

customer loyalty (Dagger et al., 2007; Liang & Wang, 2007; Ibrahim & Najjar, 2008;

Kim et al., 2008).   In addition, marketing strategy has a great impact on customer

perceived value (Cengiz & Yayla, 2007), customer satisfaction (Cengiz & Yayla,

2007; Huddleston et al., 2009), and customer loyalty (Cengiz & Yayla, 2007; Haelsig

et al., 2007).   Thus, the theoretical framework of the relationships between

marketing mix, customer perceived value, relationship quality, and customer loyalty

is shown in Figure 1.
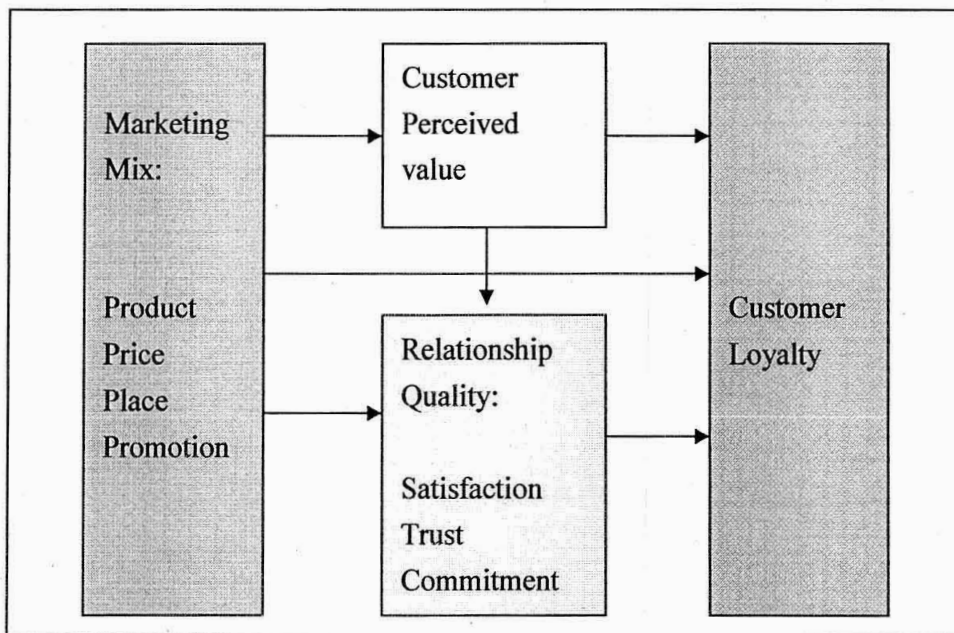
Figure 1. Theoretical framework of marketing mix, customer perceived value,

relationship quality, and customer loyalty.

Research Questions

Are there any differences in the influences of marketing mix, customer perceived value,

relationship quality (customer satisfaction, trust, and commitment) on customer

loyalty?

Hypotheses and Hypothesized Model

H_1. There is a significant relationship between marketing mix (store image, price,

advertising spending, distribution intensity, price deals) and customer loyalty

(word-of-mouth communication, price insensitivity, and purchase intention).

H_{1a}. There is a significant relationship between marketing mix (store image,

price, advertising spending, distribution intensity, price deals) and

word-of-mouth communication.

H_{1b}. There is a significant relationship between marketing mix (store image,

price, advertising spending, distribution intensity, price deals) and price

insensitivity.

H_{1c}. There is a significant relationship between marketing mix (store image,

price, advertising spending, distribution intensity, price deals) and repurchase

intention.

H_2. There is a significant relationship between customer perceived value and customer loyalty (word-of-mouth communication, price insensitivity, and purchase intention).

H_{2a}. There is a significant relationship between customer perceived value and word-of-mouth communication.

H_{2b}. There is a significant relationship between customer perceived value and price insensitivity.

H_{2c}. There is a significant relationship between customer perceived value and repurchase intention.

H_3. There is a significant relationship between marketing mix (store image, price, advertising spending, distribution intensity, price deals), customer perceived value, and customer loyalty (word-of-mouth communication, price insensitivity, and purchase intention).

H_{3a}. There is a significant relationship between marketing mix (store image, price, advertising spending, distribution intensity, price deals), customer perceived value, and word-of-mouth communication.

H_{3b}. There is a significant relationship between marketing mix (store image, price, advertising spending, distribution intensity, price deals), customer perceived value, and price insensitivity.

H_{3c}. There is a significant relationship between marketing mix (store image, price, advertising spending, distribution intensity, price deals), customer perceived value, and repurchase intention.

H_4. There is a significant relationship between the marketing mix (store image, price, advertising spending, distribution intensity, price deals), customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and customer loyalty (word-of-mouth communication, price insensitivity, and purchase intention).

H_{4a}. There is a significant relationship between marketing mix (store image, price, advertising spending, distribution intensity, price deals), customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and word-of-mouth communication.

H_{4b}. There is a significant relationship between marketing mix (store image, price, advertising spending, distribution intensity, price deals), customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and price insensitivity.

H_{4c}. There is a significant relationship between marketing mix (store image, price, advertising spending, distribution intensity, price deals), customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and repurchase intention.

The hypothesized model of marketing mix, customer perceived value, relationship quality and customer loyalty is shown in Figure 2.

Chapter II presented the review of theoretical and empirical studies about marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment) and customer loyalty. The theoretical framework, four research questions, hypotheses (with three sub-hypotheses for each hypothesis), and the hypothesized model are discussed.

Chapter III presents the research methods for testing the research hypotheses and answering the four research questions about the relationships between marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and customer loyalty in five types of Taiwanese retail stores. The description of research design, population and sampling plan, instrumentation, data coding scheme, procedures of ethical considerations and data collection methods, data analysis methods, and evaluation of research methods is addressed.
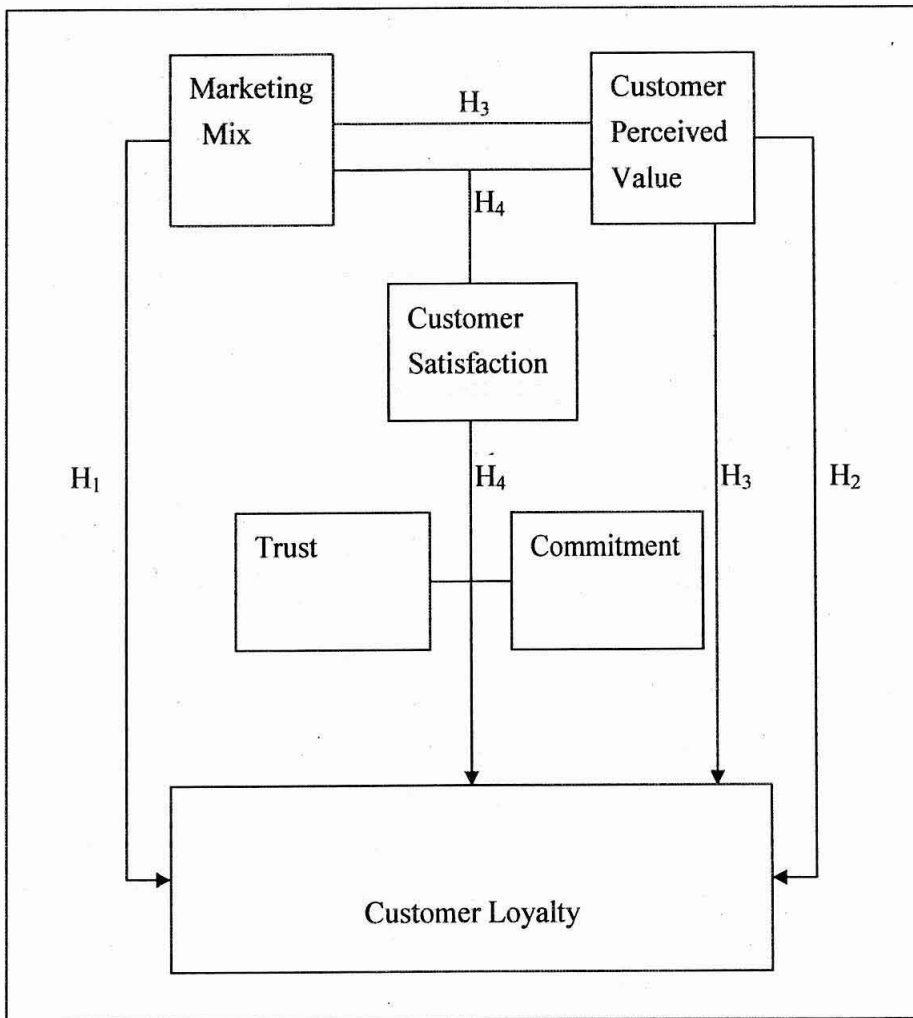
Figure 2. Hypothesized model of the marketing mix, customer perceived value,

relationship marketing (customer satisfaction, trust, commitment) on customer

loyalty.

CHAPTER III

METHODOLOGY

Chapter III addresses the methodology used in this study about the

relationship between marketing mix, customer perceived value, relationship quality,

and customer loyalty for retail industry. This chapter includes a discussion of

research design, the quantitative, non-experimental, exploratory (comparative) and

explanatory (correlational) research methodology. The population section includes

target population and accessible population. The sampling plan and setting section

includes sample size, sample setting, systematic random sampling plan, eligibility and

exclusion criteria. The instrumentation section includes the scales utilized to measure

customer characteristics, marketing mix, customer perceived value, relationship

quality, and customer loyalty and their reliability and validity. The data coding

scheme section describes the numbers that will be assigned to each questionnaire item

in this study. The section of ethical consideration procedures and data collection

methods describes the ethical consideration and procedures that takes to protect

participants during the data collection. The data analysis section describes the

statistical methods that include descriptive statistics, internal consistency reliability,

exploratory factor analysis, Pearson's correlation, multiple regression, and ANOVA

with post hoc will be used.   Finally, the evaluation of research methodology

regarding internal validity and external validity will be discussed.

Research Design

A quantitative, non-experimental, exploratory (comparative) and explanatory

(correlational) survey research study was conducted to assess the relationships

between marketing mix, customer perceived value, relationship quality (customer

satisfaction, trust, and commitment), and customer loyalty for Taiwanese retail stores

(Hanshin department store, 7-Eleven convenience store, Wellcome supermarket,

Carrefour hypermarket, and Costco warehouse club).   The purpose of the research

design is to test four hypotheses (with 3 sub-hypotheses per hypothesis) and to answer

four research questions.

The self-report survey used in this study includes four parts.   The summary

of scale items is shown in Table 15.   In Part 1, customer characteristic variables

(gender, age, marital status, education level, number of people in the household,

number of people in the household employed, occupation, personal monthly income,

household monthly income, shopping frequency, spending amount, and switching

behavior) of Taiwanese retail customers were examined.

Table 15

Summary of Scales

Construct	Variable	No.	α	Authors
Marketing mix	Price	3	.88	Yoo et al. (2000)
	Storage image	3	.84	Yoo et al. (2000)
	Distribution intensity	3	.87	Yoo et al. (2000)
	Advertising Spending	3	.87	Yoo et al. (2000)
	Price Deals	3	.80	Yoo et al. (2000)
Customer Perceived Value	Perceived Quality	6	.93	Yoo et al. (2000)
	Sacrifice	3	.69	Cronin et al. (2000)
Relationship Quality	Customer satisfaction	5	.92	Bloemer & Odekerken-Schroder (2002)
	Trust	3	.94	Bloemer & Odekerken-Schroder (2002)
	Commitment	3	.65	Bloemer & Odekerken-Schroder (2002)
Customer Loyalty	World-of-mouth communication	3	.92	Bloemer & Odekerken-Schroder (2002)
	Price insensitivity	2	.88	Bloemer & Odekerken-Schroder (2002)
	Purchase intentions	4	.65	Bloemer & Odekerken-Schroder (2002)

In Part 2, marketing mix scale and perceived quality scale are developed by

Yoo et al. (2000). The marketing mix scale consists of six variables (15 items): price

(3 items, with α=.88), store image (3 items, with α=.84), advertising spending (3 items,

with α=.87), distribution intensity (3 items, with α=.87), price deals (3 items, with

α=.80). Perceived quality consists of six items, with α=.93. In Part 3, sacrifice

scale is developed by Cronin et al. (2000) and consists of three items, with α=.69.

Perceived quality (Part 2) and sacrifice (Part 3) were the customer perceived value

measure for this study. In Part 4, relationship quality (customer satisfaction, trust,

and commitment) and customer loyalty scale are developed by Bloemer and

Odekerken-Schroder (2002) and consists of six variables (20 items). Relationship

quality consists of 11 items for measuring customer satisfaction (5 items, with α=.92),

trust (3 items, with α=.94), and commitment (3 items, with α=.65). Customer loyalty

consists of nine items for measuring word-of-mouth communication (3 items, with

α=.92), price insensitivity (2 items, with α=.88), and purchase intention (4 items, with

α=.65). The instrument for this study is shown in Appendix A.

In this study, multiple regression was used to test four hypotheses and these

results determined the answers for the four research questions. Hypothesis 1 (H_1)

was tested to answer research question 1, what is the relationship between marketing

mix and customer loyalty. Multiple regression was used to examine if there is

significant relationship (p<.05) between them. The independent variable is the marketing mix (store image, price, advertising spending, distribution intensity, price deals). The dependent variable is customer loyalty of word-of-mouth communication (H_{1a}), price insensitivity (H_{1b}), and purchase intention (H_{1c}). Hypothesis 2 (H_2) was tested to answer research question 2, what is the relationship between customer perceived value and customer loyalty. Multiple regression was used to examine if there is a significant relationship (p<.05) between them. The independent variable is customer perceived value (perceived quality and sacrifice). The dependent variable is customer loyalty of word-of-mouth communication (H_{2a}), price insensitivity (H_{2b}), and purchase intention (H_{2c}).

Hypothesis 3 (H_3) was tested to answer research question 3, what is the relationship between marketing mix, customer perceived value, and customer loyalty. Multiple regression was used to examine if there is a significant relationship between them. The independent variables are marketing mix (store image, price, advertising spending, distribution intensity, price deals), customer perceived value (perceived quality and sacrifice). The dependent variable is customer loyalty of word-of-mouth communication (H_{3a}), price insensitivity (H_{3b}), and purchase intention (H_{3c}). Hypothesis 4 (H_4) was tested to answer research question 4, what is the relationship between marketing mix, customer perceived value, relationship quality and customer

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loyalty. Mulitple regression was used to examine if there is a significant relationship among them. The independent variables are marketing mix (store image, price, advertising spending, distribution intensity, price deals), customer perceived value (perceived quality and sacrifice), and relationship quality (customer satisfaction, trust, and commitment). The dependent variable is customer loyalty of word-of-mouth communication (H_{4a}), price insensitivity (H_{4b}), and purchase intention (H_{4c}).

In addition to explore retail store customers' loyalty perceptions, Analysis of Variance (ANOVA) tests was conducted to determine significant differences ($p<.05$) of consumers' loyalty among the five different types of retail stores in this study (Hanshin department store, 7-Eleven convenience store, Wellcome supermarket, Carrefour hypermarket, and Costco warehouse club). If any loyalty measure (word-of-mouth communication, price insensitivity, and purchase intentions) is significant ($p<.05$), then a post hoc procedure using the Scheffe method was completed and further examine the two-retail store differences. The Scheffe method is recommended as the most conservative post hoc test (Hair, Black, Babin, & Anderson, 2010).

Population and Sampling Plan

Population

Target population. The target population is a set of people to which the

research findings can be generalized (Romano, 2010). In this study, the target

population included shoppers who are at least 18 years old, and shop in Kaohsiung

city, Taiwan.

Kaohsiung city's population was about 1.5 million in 2009. There is about 80

percent who are 18 years old or older living in Kaohsiung city. Therefore, the

estimated target population is approximately 1.2 million (1.5 million times .80) retail

stores customers (Civil affairs bureau, Kaohsiung City Government, 2009).

Accessible population. For this study, five types of retail stores are

included – department store, convenience store, supermarket, hypermarket, warehouse

club (Pride & Ferrell, 2008). People of the target population who have ever shopped

in one of five types of retail stores (Hanshin department store, 7- Eleven convenience

store, Welcome supermarket, Carrefour hypermarket, and Costco warehouse club) in

Kaohsiung, Taiwan were invited to participate.

Sampling Plan and Setting

Sample size. A larger sample size can enhance generalizability to the

accessible population and minimize sample errors. Both the overall sample size for

statistical analyses and the sample size per category should be considered in sample

setting (Green, 1991).

Comparitive means and multiple regression are two major statistical analyses

to be used in the study. Green (1991) stated that the estimated sample size for a

multiple regression analysis is: n=50+8(m), where *n* represents the sample size and *m*

is the number of explanatory variables. The 25 explanatory variables for this study

are shown in Table 16.

Table 16

Explanatory Variables in the Study

Construct	Variable	No. of Variables
Retail stores shopper characteristics	Gender, age, marital status, education, number of people in the household, how many in your household are employed, income of the household, occupation, income, money spending, shopping frequency, and switching behavior.	12
Marketing mix	Price, store image, distribution intensity, advertising spending, price deals	5
Perceived value	Perceive quality, sacrifice	2
Relationship quality	Customer satisfaction, trust, and commitment	3
Customer loyalty	Word-of-mouth communication, price-insensitivity, and purchase intentions	3

In this study, there are 25 total explanatory variables. Therefore, according to Green's (1991) formula $50 + 8 (25) = 250$, which is the minimum sample size for multiple regression analysis. Hair et al. (2010) state that the minimum sample size for factor analysis is to have "at least five times as many observations as the number of variables to be analyzed, and the more acceptable sample size would have a 10:1 ratio" (p. 102). In this study, a total of 22 observation variables were included. The appropriate sample size is determined to be 110 (five times of 22 variables), and the more acceptable to be 220 (a ratio of 10 observations for each predictor variable) for the factor analysis.

Besides the overall sample size, the sample size of each category should be considered. Hair et al. (2010) state that each category should have minimum of 50 observations per category. In this study, 100 observations were collected from each of five types of retailers (Department store, Convenience store, supermarket, hypermarket, and warehouse club). Thus, 100 observations per category exceed the minimum observation requirement of 50.

Systematic random sampling plan. The systematic random sampling plan was used in the study. According to Kerlinger and Lee (2000), systematic sampling is "randomly chosen from numbers 1 through K and subsequent elements are chosen at every k^{th} interval" (p.181). K is the whole number of a sample size. The list of

the population in the study is randomly ordered. A systematic random sampling

spreads the sample more evenly over the population and is easy to conduct. In this

study, the participants were chosen at every 20th shopper.

The sample size in this study was 500, exceeding the minimum requirement

for the comparitive analysis and multiple regression analysis. Therefore, 100

observations were collected from each retail store category, exceeding the minimum

observation requirement of 50. The sample size of this study is shown in Figure 3.
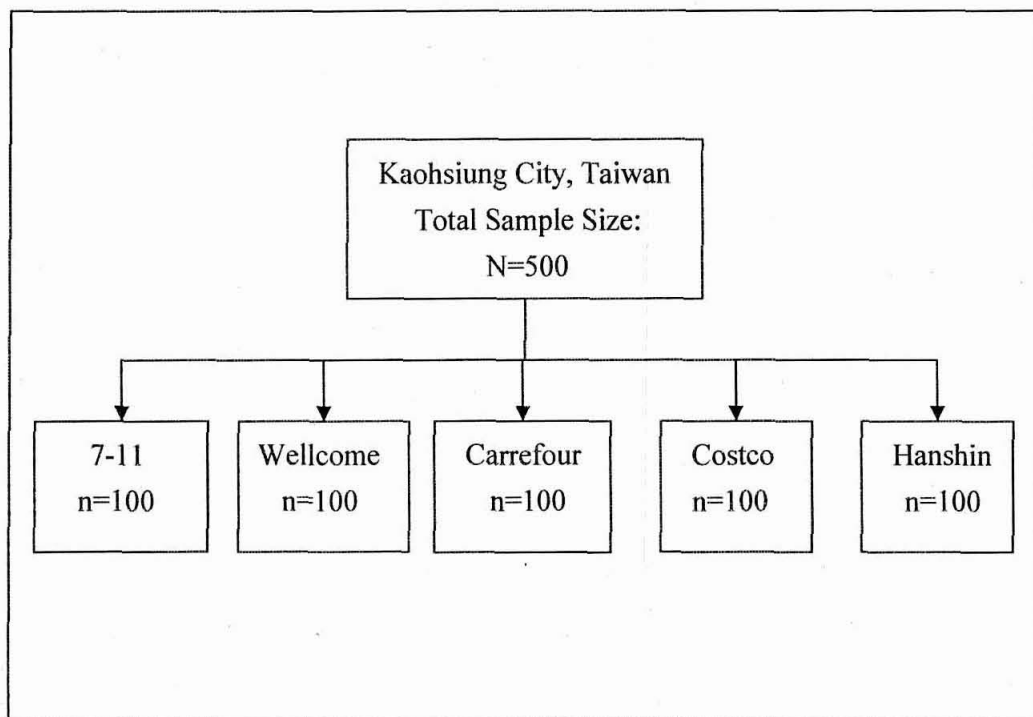
Figure 3. Sample size of the study.

Eligibility criteria. Shoppers who meet the following criteria were invited to participate in the study:

1. The geographic area and setting of the sampling plan in this study is limited to Kaohsiung city, Taiwan.

2. The areas for the survey are limited to the public areas.

3. Participants have to be 18 years old or older and live in Taiwan.

4. Participants must have prior experience shopping at the stores.

5. Participants have to be able to speak, read, and write Mandarin.

Exclusion criteria. Shoppers were no invited to participate in the study if they meet any one of the following criteria:

1. The participants do not live in Taiwan.

2. The area for the survey is not inside or in a private area of the retail stores.

3. Participants are under 18 years old.

4. Participants do not have prior shopping experience in these five retail stores.

5. Participants do not speak, read, and write Mandarin.

Instrumentation

A 4-part questionnaire was used in this study. These parts measured

customer characteristics, marketing mix, customer perceived value, relationship

quality (customer satisfaction, trust, and commitment), and customer loyalty.

Part 1: Customer Characteristics

Part 1 is customer characteristics, developed by the researcher. It includes 12

items that measure demographic and shopping characteristics of customers in one of

five retail stores, such as gender, age, marital status, educational level, number of

people in the household, how many people in the household employed, income of the

household, occupational, income level, shopping frequency, spending amount, and

switching behavior. Gender is categorized as "Male" and "Female". Age

categories include "18-25", "26-35", "36-45", 46-55", "56-65", and "66 and above".

Marital status categories include "Single", "Married", "Divorced", and "Widowed".

The education level is measured by "Primary school or below", "Junior school",

"High school", "Bachelor degree", "Master's degree", and "Doctoral degree". How

many people live in your household is measured by "1", "2", "3", and "4 or more".

How many people employed in your household is measured by "1", "2", "3", and "4

or more". Occupation is measured by "Corporate executive, manager, or

supervisor", "Business owner", " Professionals", "Engineer or technicians", "Clerk, salesmen or service worker", "Administrative personnel", "Operator", "Industrial labors", "Housekeeper", "Student", " Unemployed", "Retired", and "others, please specify".   Personal monthly income is in New Taiwanese (NT) dollars with 10 categories, "NT20,000 or less", "NT20,001 -   NT30,000", "NT30,001- NT40,000", "NT40,001 – NT50,000", "NT50,001 – NT60,000", "NT60,001 – NT70,000", "NT70,001 – NT80,000", "NT80,001 – NT90,000", "NT90,001 – NT100,000", and "NT100,001 or above".   Household monthly income is in New Taiwanese (NT) dollars with 10 categories, "NT20,000 or less", "NT20,001 -   NT40,000", "NT40,001- NT60,000", "NT60,001 – NT80,000", "NT80,001 – NT100,000", "NT100,001 – NT120,000", "NT120,001 – NT150,000", "NT150,001 – NT180,000", "NT180,001 – NT200,000", and "NT200,001 or above".   On average, how much money do you spend per visit at this store is measured by "less than 100", " NT101 – NT250", " NT251 – NT500" , " NT501 – NT1,000" , " NT1,001 – NT2,000" , " NT2,000 – NT3,000" , " NT3,001 – NT4,500" , " NT4,500 – NT6,000" , " NT6,001 – NT7,500" , " NT7,501 – NT9,000" , " NT9,001 – NT10,000" , and " NT10,001 or above".   On average, how frequently do you shop in this (retail store) monthly is measured by "0", "1", "2", "3","4", and "5 or more".   How many (retail

store category) other than (retail store) have you shopped in the last year is measured

by "0", "1", "2", "3","4", and "5 or more".

Part 2: Marketing Mix and Perceived Quality Scale

Description. The marketing mix and perceived quality scale was adapted

from Yoo et al. (2000). The marketing mix elements included five constructs and

total 15 items: three items each for the marketing mix price, store image, distribution

intensity, advertising spending, and price promotions. Perceived quality includes six

items. A 5-point Likert scale is used and ranged from "strongly disagree" (1) to

"strongly agree" (5). The items of marketing mix and perceived quality scale are

shown in Table 17.

Table 17

Items of the Marketing Mix and Perceived Quality Scale

Variable	Items
Price	The price of X is high
	The price of X is low
	X is expensive
Store Image	The store where I can buy X carry products of high quality
	The stores where I can buy X would be of high quality
	The stores where I can buy X have well-known brands

Table 17 (continued)

Items of the Marketing Mix and Perceived Quality Scale

Variable	Items
Distribution Intensity	More stores sell X, as compared to its competing brands
	The number of the stores that deal with X is more than that of its competing brands
	X is distributed through as many stores as possible
Advertising Spending	X is intensively advertised
	The ad campaigns for X seem very expensive, compared to compaigns for competing brands
	The ad campaigns for X are seen frequently
Price Deals	Price deals for X are frequently offered
	Too many times price deals for X are presented
	Price deals for X are emphasized more than seems reasonable
Perceived Quality	X is of high quality
	The likely quality of X is extremely high
	The likelihood that X would be functional is very high
	The likelihood that X is reliable is very high
	X must be of very good quality
	X appears to be of very poor quality (r)

Note. (r) shows the reversed statement.

Source: Yoo, B., Donthu, N., & Lee, S. (2000). An examination of selected marketing mix elements and brand equity. *Journal of Marketing Science, 28*(2), 195-211.

Reliability. Cronbach's alpha is used in this study to examine internal

consistency reliability. In Yoo et al.'s (2000) study, the Cronbach's alpha are

above .8 (price=.88, store image=.84, distribution intensity=.87, advertising

spending=.87, price deals=.80, perceived quality=.93). Nunnally and Bernstein (1994)

indicate that a minimum level of reliability should be at .70. Thus, the marketing

mix and perceived quality scale have high level of internal consistency.

Validity. Both exploratory and confirmatory factor analysis are tested to

establish how accurately the questions reflected each construct. According to Hair et

al. (2010), the factor loadings should be .50 or greater for practical significance. The

factor loading of Yoo et al. (2000) ranges from .74 to .94 for the dimension of price,

from .62 to .93 for the dimension of store image, from .56 to .95 for the dimension of

distribution intensity, from .66 to .93 for the dimension of advertising spending,

from .59 to .94 for the dimension of price deals. Further, the analysis with an

orthogonal rotation technique is used to confirm similar factor patterns, confirming

discriminant and convergent validity of measures. Thus, the construct validity is

obtained.

Part 3: Sacrifice Scale

Description. The sacrifice scale was adapted from Cronin et al.'s (2000)

studies. In Cronin et al.'s (2000) study, a 9-point Likert type scale of three items is

used and ranged from "very low" (1) to "very high" (9). The three items represented

customers' monetary and non-monetary sacrifice perceptions. The items of the

Sacrifice scale are shown in Table 18.

Reliability. Cronbach's alpha is used in this study to examine internal

consistency reliability. The Cronbach's alpha for sacrifice, developed by Cronin et

al. (2000) is .69. This provides adequate estimates of reliability.

Validity. Both exploratory and confirmatory factor analysis were tested to

establish how accurately the questions reflected each construct. According to Hair et

al. (2010), the factor loadings should be .50 or greater for practical significance. The

confirmative factor loading of sacrifice ranges from .54 to .78. Thus, the construct

validity for sacrifice scales is obtained.

Table 18

Items of the Sacrifice Scale

Variable	Items
Sacrifice	The price charge to use this facility is
	The time required to use this facility is
	The effort that I must make to receive the services offered is

Source: Cronin, J.J.JR, Brady, M.K., Hult, G.T.M. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing, 76*(2)193-218.

Part 4: Relationship quality (customer satisfaction, trust, and commitment) and customer loyalty scale

Description. The relationship quality and customer loyalty scale are developed by Bloemer and Odekerken-Schroder (2002). Relationship quality consists of 11 items for measuring customer satisfaction (5 items), trust (3 items), and commitment (3 items). Customer loyalty consists of nine items for measuring word-of-mouth communication (3 items), price-insensitivity (2 items), and purchase intention (4 items). These items are measured on a 9-point Likert scales, with completely disagree (1) to completely agree (9). The items of the relationship quality and customer loyalty scale are shown in Table 19.

Table 19

Items of the Relationship Quality and Customer Loyalty Scale

Variable	Items
Customer satisfaction	Supermarket x confirms my expectations
	I am satisfied with the price/quality ratio of supermarket x
	I am really satisfied with supermarket x
	In general, I am satisfied with supermarket x
	In general, I am satisfied with the service I get from supermarket x

Table 19 (continued)

Items of the Relationship Quality and Customer Loyalty Scale

Variable	Items
Trust	Supermarket x gives me a feeling of confidence
	I have faith in supermarket x
	Supermarket x enjoys my confidence
Commitment	If products are cheaper at another supermarket than at supermarket x, then I go to the other supermarket. (r)
	If there supermarket x is not nearly, then I go to another supermarket. (r)
	If I intend to go to supermarket, it is easy to make me change my mind. So that I in fact go to another supermarket. (r)
Word-of-mouth	I say positive things about supermarket x to other people
	I recommend supermarket X to someone who seeks advice
	I encourage friends to go to supermarket x
Price-Insensitivity	I am willing to pay a higher price than other supermarkets charge for the benefits I currently receive from the supermarket X
	I am willing to go to another supermarket that offers more attractive prices (r)

Table 19 (continued)

Items of the Relationship Quality and Customer Loyalty Scale

Variable	Items
Purchase intentions	I go less often to supermarket x in the next few weeks (r)
	I consider supermarket x as my first choice
	I go more often to supermarket x in the next few weeks.
	In the near future, I surely attend supermarket x again.

Note: (r) shows the reversed statement.

Source: Bloemer, J. & Odekerken-Schrder, G. (2002). Store satisfaction and store loyalty explained by customer-and-store-related factors. Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 15, 68-80

Reliability. In Bloemer and Odekerken-Schroder's (2002) study, the

Cronbach's alpha of customer satisfaction is .92 for customer satisfaction, .94 for trust,

and .65 for commitment, .92 for word-of-mouth communication; .88 for

price-insensitivity, and .65 for purchase intentions. The result provides adequate

estimates of reliability.

Validity. The confirmatory factor analysis is used to test instrument's

validity in the study. Further, the convergent validity is supported by a good overall

model fit with all loadings being significant ($p < .01$). The unidimensionality and

discriminant validity are also examined. Thus, the instrument's validity is adequate.

A 4-part questionnaire was used in this study. These parts measured customer characteristics, marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and customer loyalty. The introduction, reliability and validity of scale items are examined. A summary of scale items with questionnaire numbers used in this study's instrument is shown in Figure 4.

Data Coding Scheme

Part 1: Customer Characteristics

Gender is coded by male (1) and female (2). Age is coded by 18-25 (1), 26-35 (2), 36-45 (3), 46-55 (4), 56-65 (5), and 66 or older (6). Marital status is coded by single (1), married (2), widowed (3),and divorced (4). Educational level is coded by primary school and below (1), junior school (2), high school (3), bachelor degree (4), master's degree (5), and doctoral degree (6). How many people live in your household is coded by 1(1), 2 (2), 3(3), and 4 or more (4). How many people employed in your household is coded by 1(1), 2 (2), 3(3), and 4 or more (4). Occupation is coded by corporate executive, manager, or supervisor (1), business owner (2), professionals (3), engineer or technicians (4), clerk, salesmen or service worker (5), administrative personnel (6), operator (7), industrial labors (8), housekeeper (9), student (10), unemployed (11), retired (12), and other (13).

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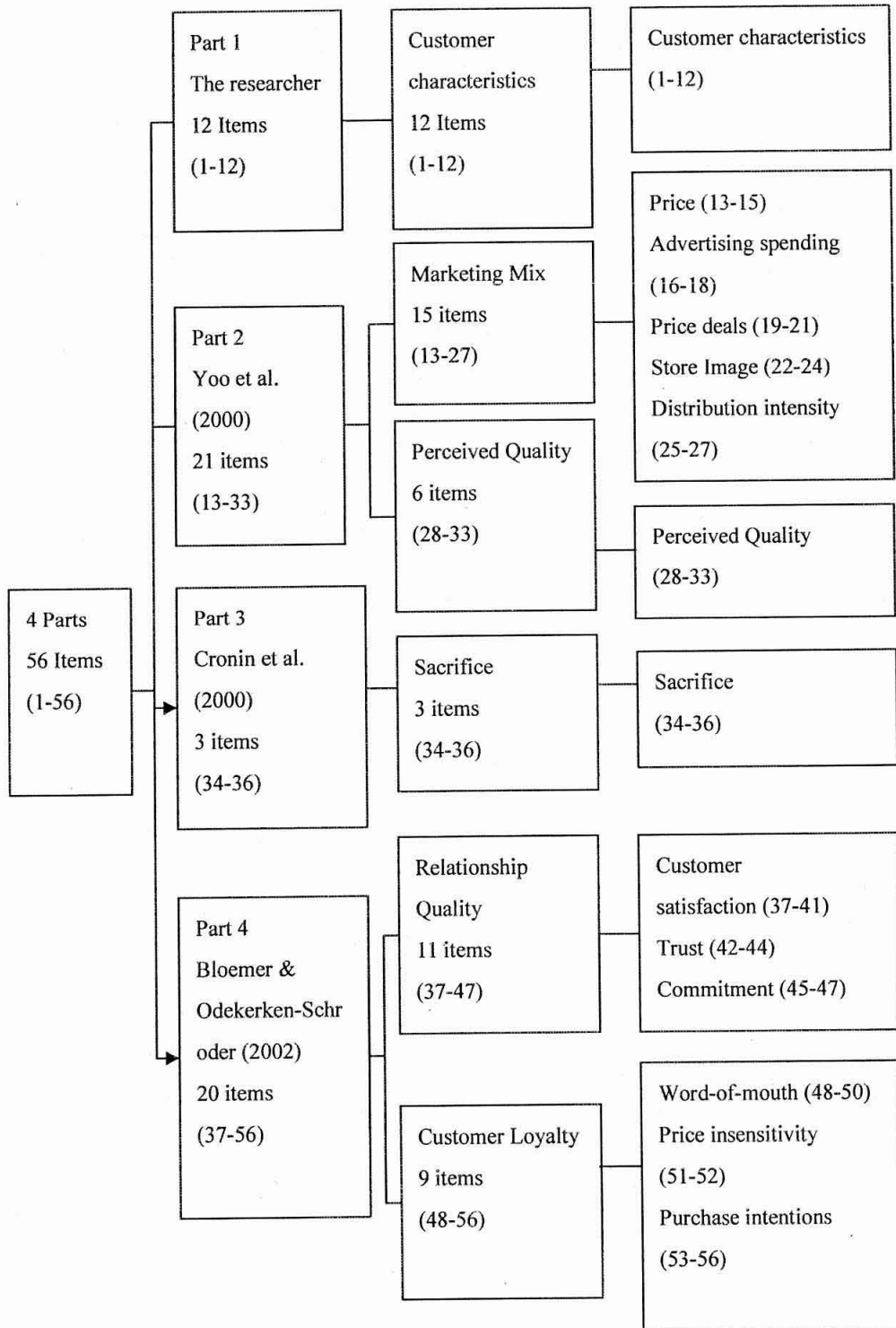
Figure 4. A summary of scale items (with questionnaire numbers).

Personal monthly income is coded by NT 20,000 or less (1), NT 20,001 – NT 30,000 (2), NT 30001 – NT 40,000 (4), NT 40,001 – NT 50,000 (5), NT 50,001 – NT 60,000 (6), NT 60,001 – NT 70,000 (7), NT 70,001 – NT 80,000 (8), NT 80,001 – NT 90,000 (9), NT 90,001 – NT 100,000 (10), NT100,001 and above (11).   Household monthly income is coded by NT20,000 or less (1), NT20,001 -   NT40,000 (2), NT40,001- NT60,000 (3), NT60,001 – NT80,000 (4), NT80,001 – NT100,000 (5), NT100,001 – NT120,000 (6), NT120,001 – NT150,000 (7), NT150,001 – NT180,000 (8), NT180,001 – NT200,000 (9), NT200,001 or above (10).   On average, how much money do you spend per visit at this store is coded by NT 100 or less (1), NT 101 – NT 250 (2), NT 251 – NT 500 (3), NT 501 – NT 1,000 (4), NT 1,001 – NT 2,000 (5), NT 2,001 – NT 3,000 (6), NT 3,001 – NT 4,500 (7), NT 4,501 – NT 6,000 (8), NT 6,001 – NT 7,500 (9), NT 7,501 – NT 9,000 (10), NT 9,001 – NT 10,000 (11), NT 10,001 and above (12).   On average, how frequently do you shop in this (retail store) monthly is coded by 0 (1), 1 (2), 2 (3), 3 (4), 4 (5), 5 or more (6).   On average, How many (retail stores) other than (retail store) have you shopped in the last year is coded by 0 (1), 1 (2), 2 (3), 3 (4), 4 (5), 5 or more (6).   The first part consists of 12 items and numbered 1 to 12.

Part 2: Marketing Mix and Perceived Quality Scale

Marketing mix consists of 15 items and measured with five variables: (a) price is measured by items 13, 14 and 15; (b) advertising spending is measured by item 16, 17, and 18; (c) price deal is measured by item 19, 20, and 21; (d) store image is measured by item 22, 23, and 24 (e) distribution intensity is measured by item 25, 26, and 27. Perceived quality consists of 6 items and is measured by item 28 to33.

There are total 21 items in this part. The 9-point Likert type scale is used and coded by strongly disagree (1) to strongly agree (9). Item 33 of perceived quality is a reversed statement and was coded by strongly disagree (9) to strongly agree (1). See Table 20 for the coding of the marketing mix and perceived quality items.

Table 20

Coding of the Marketing Mix and Perceived Quality Items

Variable	Indicator	Items
Marketing Mix	GMM	
Price	PR1	The price of X is high
	PR2	The price of X is low
	PR3	X is expensive
Store Image	SI1	The store where I can buy X carry products of high quality
	SI2	The stores where I can buy X would be of high quality
	SI3	The stores where I can buy X have well-know brands

Table 20 (continued)

Coding of the Marketing Mix and Perceived Quality Items

Variable	Indicator	Items
Distribution Intensity	DI1	More stores sell X, as compared to its competing brands
	DI2	The number of the stores that deal with X is more than that of its competing brands
	DI3	X is distributed through as many stores as possible
Advertising Spending	AS1	X is intensively advertised
	AS2	The ad campaigns for X seem very expensive, compared to compaigns for competing brands
	AS3	The ad campaigns for X are seen frequently
Price Deals	PD1	Price deals for X are frequently offered
	PD2	Too many times price deals for X are presented
	PD3	Price deals for X are emphasized more than seems reasonable
Perceived Value	GPV	
Perceived Quality	PQ1	X is of high quality
	PQ2	The likely quality of X is extremely high
	PQ3	The likelihood that X would be functional is very high
	PQ4	The likelihood that X is reliable is very high
	PQ5	X must be of very good quality
	PQ6	X appears to be of very poor quality (r)

Note: Total perceived value includes total perceived quality and total sacrifice. (r) shows the reversed statement.

Source: Yoo, B., Donthu, N., & Lee, S. (2000). An examination of selected marketing mix elements and brand equity. *Journal of Marketing Science, 28*(2), 195-211.

Part 3: Sacrifice Scale

Sacrifice consists of 3 items and is measured by item 34, 35, and 36.   The

9-Point Likert type scale is used and coded from very low (1) to very high (9).   See

Table 21 for the coding of sacrifice items.

Part 4: Relationship Quality (Customer Satisfaction, Trust, and Commitment)

and Customer Loyalty Scale

Relationship quality consists of 11 items and is measured by three variables: (a)

customer satisfaction is measured by five items (37 to 41); (b) trust is measured by

three items (42 to 44); and (c) commitment is measured by three items (45 to 47).

Table 21

Coding of the Sacrifice Items

Variable	Indicator	Items
Perceived Value	GPV	
Sacrifice	SA1	The price charge to use this facility is
	SA2	The time required to use this facility is
	SA3	The effort that I must make to receive the services offered is

Note: Total perceived value includes total perceived quality and total sacrifice.
Source: Cronin, J.J.,Jr., Brady, M.K., & Hult, G.T.M. (2000).   Assessing the effects
of quality, value, and customer satisfaction on consumer behavioral intentions in
service environments. *Journal of Retailing, 76*(2), 193-218.

Customer loyalty consists of nine items and is measured by three variables: (a) word-of-mouth communication is measured by three items (48 to 50); (b) price insensitivity is measured by two items (51 to 52), and (c) purchase *intention is* measured by four items (53 to 56).

There are total 20 items in this part. 9-Point Likert type scale is used and coded by completely disagree (1) to completely agree (9). However, item 45, 46, 47, 52, and 53 are reversed statements. They are coded by completely disagree (9) and completely agree (1). See Table 22 for the coding of the relationship quality and customer loyalty items.

Table 22

Coding of the Relationship Quality and Customer Loyalty Items

Variable	Indicator	Items
Relationship Quality	GRQ	
Customer satisfaction	CS1	Supermarket x confirms my expectations
	CS2	I am satisfied with the price/quality ratio of supermarket x
	CS3	I am really satisfied with supermarket x
	CS4	In general, I am satisfied with supermarket x
	CS5	In general, I am satisfied with the service I get from supermarket x

Table 22 (continued)

Coding of the Relationship Quality and Customer Loyalty Items

Variable	Indicator	Items
Trust	TR1	Supermarket x gives me a feeling of confidence
	TR2	I have faith in supermarket x
	TR3	Supermarket x enjoys my confidence
Commitment	CO1	If products are cheaper at another supermarket than at supermarket x, then I go to the other supermarket. (r)
	CO2	If there supermarket x is not nearly, then I go to another supermarket. (r)
	CO3	If I intend to go to supermarket, it is easy to make me change my mind. So that I in fact go to another supermarket. (r)
Customer Loyalty	GCL	
Word-of-mouth	WM1	I say positive things about supermarket x to other people
	WM2	I recommend supermarket X to someone who seeks advice
	WM3	I encourage friends to go to supermarket x

Table 22 (continued)

Coding of the Relationship Quality and Customer Loyalty Items

Variable	Indicator	Items
Price Insensitivity	PI1	I am willing to pay a higher price than other supermarkets charge for the benefits I currently receive from the supermarket X
	PI2	I am willing to go to another supermarket that offers more attractive prices (r)
Purchase intentions	PU1	I go less often to supermarket x in the next few weeks (r)
	PU2	I consider supermarket x as my first choice
	PU3	I go more often to supermarket x in the next few weeks.
	PU4	In the near future, I surely attend supermarket x again.

Note: (r) shows the reversed statement.

Source: Bloemer, J. & Odekerken-Schrder, G. (2002). Store satisfaction and store loyalty explained by customer-and-store-related factors. *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 15*, 68-80

Procedures: Ethical Considerations and Data Collection Methods

Ethical Considerations

The following section describes the ethical considerations that were taken to protect participants. Methods of data collection were discussed. Every step of the data collection in this study followed the below ethical considerations:

1. Permission for questionnaires to be used in this study has been obtained. Thus, three requests for permission were sent to instrument developers from the researcher's Lynn University email account and permission has been granted (See Appendix B, C, and D). A 4-part questionnaire was used in this study. These parts include (1) customer characteristics, (2) marketing mix and perceived quality, (3) sacrifice, and (4) relationship quality (customer satisfaction, trust, commitment) and customer loyalty.

2. An application was submitted to the Institutional Review Board (IRB) of Lynn University for approval. A full board review by the IRB was applied.

3. Upon receiving the review results from IRB (See Appendix E), the survey used in this study was translated from English into traditional Chinese (See Appendix F). A certified translation of the questionnaires was submitted to Lynn IRB for final approval.

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4. Upon receiving the approval from IRB, the researcher began to collect data.

5. There are no special issues related to human subjects between culture of Taiwan and the United States. The subjects' safety and confidentiality are protected in all aspects.

6. No personal identifiers were required on the survey questionnaire (only coded numbers appear on the survey instrument). The participants completed the survey voluntarily and anonymously.

7. The participants were contacted in the public area outside of the stores. Thus, the approval from the stores did not need.

8. The data collection started around September, 2010, and completed after reaching 100 participants for each of the five retail stores in Kaohsiung city, Taiwan.

9. Within one year of IRB approval, the researcher will submit the Lynn University IRB Report of Termination of Project.

10. The data will be saved electronically in the computer with password and identification for five years. After five years, the data will be destroyed.

11. The paper questionnaires will be destroyed after the completion of final dissertation defense.

Data Collection Methods and Procedure

The following section describes the data collection methods and procedures.

1. The survey was distributed to shoppers in a public area outside the main
   entrance of five retail stores (Hanshin department store, 7-Eleven
   convenience store, Wellcome supermarket, Carrefour hypermarket, and
   Costco warehouse club) during the weekday and weekend in Kaohsiung city,
   Taiwan.

2. The systematic random sampling plan was used to select participants. Every
   20th customer was invited during weekdays and weekend in each of five
   retail store.   First, they were asked to participate the survey.   If a
   customer was not willing to participate, the next eligible customer was
   selected.   Then, the 20th customer procedure restarted.

3. When customers agreed to participate, they were given a survey
   questionnaire on a clip board and an envelope to place the completed survey.
   The participants completed the survey in a private area.   When
   participants completed the survey, they put the survey into the envelope
   and sealed it.   Then, participants put the survey in a closed data collection
   box with a slit provided by the researcher that was in close proximately.

Regarding the store operation hours and data collection period, Operation hours for Carrefour are 9:00 a.m. to 11:00 p.m. during weekdays and 9:00 a.m. to 1:00 a.m. during the weekend. Operation hours for Costco are 10:00 a.m. to 9:30 p.m. during weekdays and the weekend. Operation hours for Hanshin department store are 11:00 a.m. to 10:00 p.m. during weekdays and 10:30 a.m. to 10:30 p.m. during the weekend. Operation hours for Wellcome supermarket are 7:00 a.m. to 12:00 a.m. during weekdays and the weekend. The convenience store, 7-Eleven opens 24 hours a day and 7 days a week. The data was collected in day time, evening, and midnight during five weekdays (Monday, Tuesday, Wednesday, Thursday, and Friday) and the weekend (Saturday and Sunday) based on the operation hours of five retail stores. The data collection plan is shown in Table 23.

Table 23

Data Collection Plan

Collection Period	7-Eleven	Wellcome	Carrefour	Costco	Hanshin
Day time	6:00 a.m. – 1:00 p.m.	7:00 a.m. – 1:00 p.m.	9:00 a.m. – 1:00 p.m.	10:00a.m. – 1:00 p.m.	11:00a.m. – 1:00 p.m.
Evening	7:00p.m. – 10:00 p.m.	7:00 p.m. – 11:00 p.m.	7:00 p.m. – 11:00 p.m.	7:00p.m. – 09:30 p.m.	7:00 p.m. – 10:00 p.m.
Midnight	1:00 a.m. – 5:00 a.m.				

For 7-Eleven convenience store, the data was collected during five weekdays (Monday, Tuesday, Wednesday, Thursday, and Friday) and the weekend (Saturday and Sunday). The collection period was from 6:00 a.m. to 1:00 p.m. in the daytime, 7:00 p.m. to 10:00 p.m. in the evening, and 1:00 a.m. to 1:00 a.m. after the midnight. The sample size for each collection period is shown in Figure 5.

For Carrefour hypermarket, data collection was from 9:00 a.m. to 1:00 p.m. in the daytime and 7:00 p.m. to 11:00 p.m. in the evening for five weekdays (Monday, Tuesday, Wednesday, Thursday, and Friday) and the weekend (Saturday and Sunday). For Costco warehouse club, the data was collected during five weekdays (Monday, Tuesday, Wednesday, Thursday, and Friday) and the weekend (Saturday and Sunday).
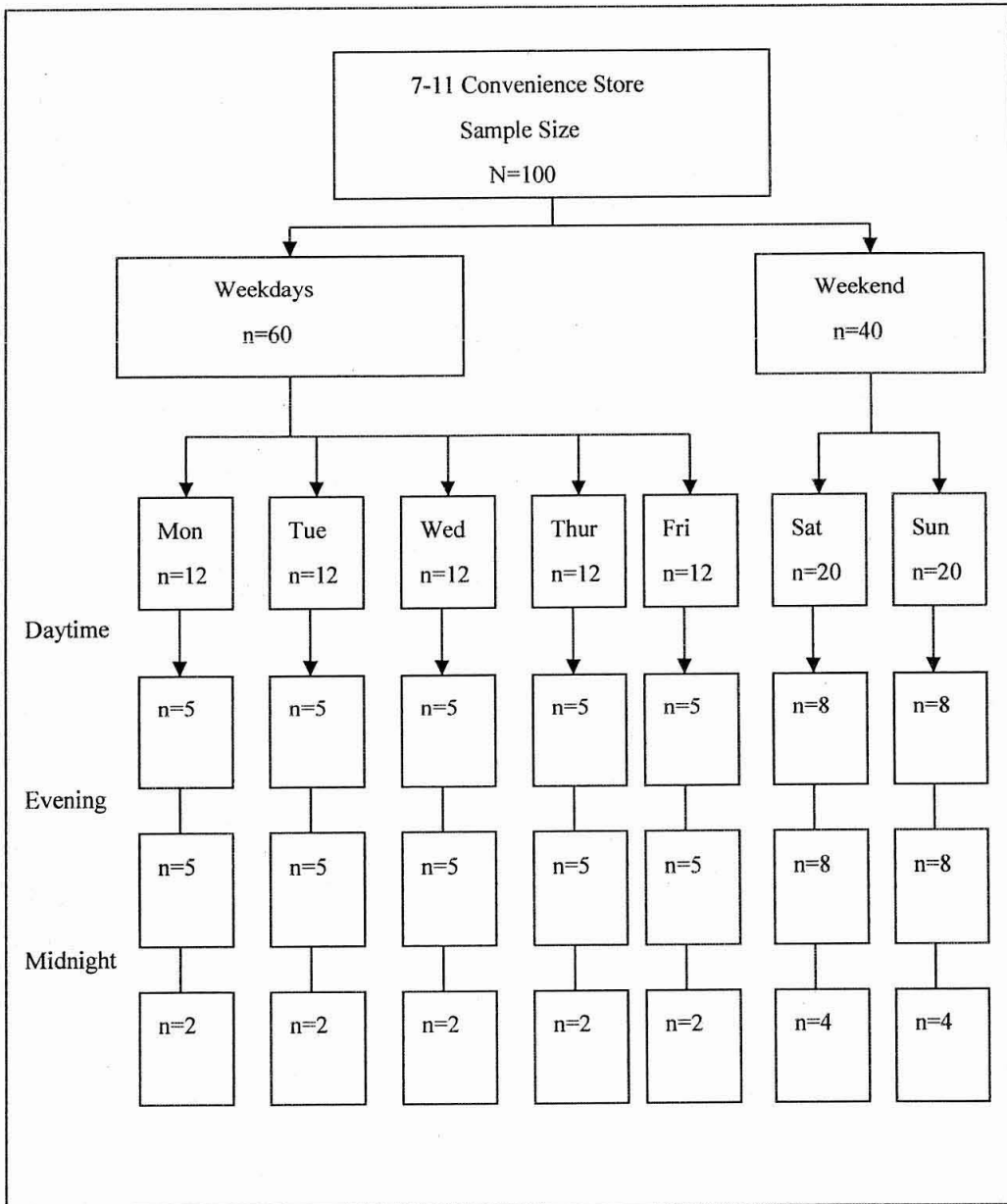
Figure 5. Collection period for 7-Eleven convenience store.

The collection period was from 10:00 a.m. to 1:00 p.m. in the daytime and 7:00 p.m.

to 10:00 p.m. in the evening.   For Hanshin department store, the data collection was

from 11:00 a.m. to 1:00 p.m. and 7:00 p.m. to 10:00 p.m. for five

weekdays (Monday, Tuesday, Wednesday, Thursday, and Friday) and the weekend

(Saturday and Sunday).   The sample size for each collection period of Carrefour

hypermarket, Costco warehouse club, and Hanshin department store is the same as

Wellcome shown in Figure 6 as the four non-convenience retail stores.   The entire

data collection completed in eight weeks.

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┌─────────────────────────────────────────────────────────────────────────┐
│                    ┌──────────────────────────────┐                       │
│                    │ Four non-convenience retail stores │                 │
│                    │        Sample Size           │                       │
│                    │          N=100               │                       │
│                    └──────────────────────────────┘                       │
│                                                                           │
│           ┌──────────────────┐            ┌──────────────────┐            │
│           │   Weekdays       │            │   Weekend        │            │
│           │    n=60          │            │    n=40          │            │
│           └──────────────────┘            └──────────────────┘            │
│                                                                           │
│  ┌─────┐ ┌─────┐ ┌─────┐ ┌─────┐ ┌─────┐   ┌─────┐ ┌─────┐               │
│  │ Mon │ │ Tue │ │ Wed │ │Thur │ │ Fri │   │ Sat │ │ Sun │               │
│  │n=12 │ │n=12 │ │n=12 │ │n=12 │ │n=12 │   │n=20 │ │n=20 │               │
│  └─────┘ └─────┘ └─────┘ └─────┘ └─────┘   └─────┘ └─────┘               │
│ Daytime                                                                   │
│  ┌─────┐ ┌─────┐ ┌─────┐ ┌─────┐ ┌─────┐   ┌─────┐ ┌─────┐               │
│  │ n=6 │ │ n=6 │ │ n=6 │ │ n=6 │ │ n=6 │   │n=10 │ │n=10 │               │
│  └─────┘ └─────┘ └─────┘ └─────┘ └─────┘   └─────┘ └─────┘               │
│ Evening                                                                   │
│  ┌─────┐ ┌─────┐ ┌─────┐ ┌─────┐ ┌─────┐   ┌─────┐ ┌─────┐               │
│  │ n=6 │ │ n=6 │ │ n=6 │ │ n=6 │ │ n=6 │   │n=10 │ │n=10 │               │
│  └─────┘ └─────┘ └─────┘ └─────┘ └─────┘   └─────┘ └─────┘               │
└─────────────────────────────────────────────────────────────────────────┘
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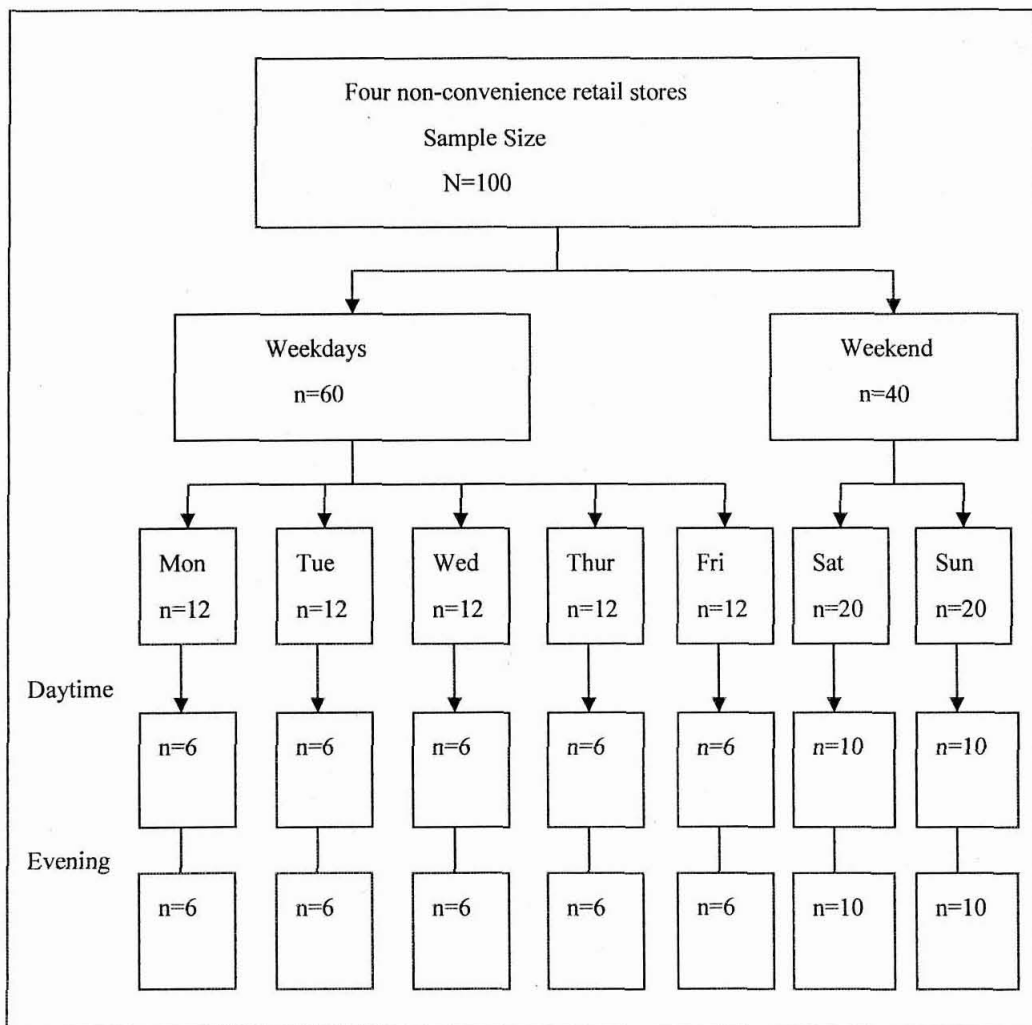
Figure 6. Collection period for four non-convenience retail stores.

Method of Data Analysis

Data collected from the questionnaire was analyzed with the PASW Statistics 18 to test hypotheses. After entering the data and prior to statistical analysis, items were grouped (unweighted), creating variables or constructs such as to appropriate variables and variables grouped/created (unweighted) to the respective constructs. For example, PR1 + PR2 + PR3 divided by three (number of items) created the measure for the variable price. The same procedure completed for store image, distribution intensity, advertising spending, and price deals. Then, these five marketing mix variables were summed and divided by five (number of variables) to establish a value (unweighted) for the total marketing mix construct. The same procedure was completed for total perceived value (perceived quality, sacrifice), total relationship quality (customer satisfaction, trust, commitment), and total customer loyalty (word-of-mouth, price intensity, purchase intentions). Descriptive statistics, exploratory factor analysis, internal consistency reliability, Pearson's correlation, multiple regression, and Analysis of Variance (ANOVA) with post hoc was used in this study.

Descriptive Analysis

Descriptive statistics (frequency, mean, and standard deviation) was used to examine the customer's social-demographic characteristics and customers' shopping experiences in retail stores. Moreover, descriptive analysis was used to examine data distribution, potential problems and the statistical assumptions of parameters used.

Exploratory Factor Analysis (EFA)

Factor analysis is a statistical method to group a set of variables to measure the same constructs (Kerlinger & Lee, 2000). EFA is "most powerful when employed in a hypothesis-testing manner" (Kerlinger & Lee, 2000, p. 849). In this study, EFA was conducted to examine variables and determine which ones belong together for marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and customer loyalty.

Internal Consistency Reliability

Cronbach's coefficient alpha was used to assess the internal consistency of the multiple-item questionnaire. Each variable had estimates of Cronbach's coefficient alpha above .65.

Pearson's Correlation

Pearson r correlation was applied to investigate the bivariate variables to determine the relationship (correlation) between them.

Multiple Regression and Analysis of Variance (ANOVA) with post hoc

Multiple regression was used to test the four hypotheses and answer the four

research questions. Hypothesis 1 (H_1) was tested to answer research question 1,

what is the relationship between marketing mix and customer loyalty. Multiple

regression was used to examine if there is significant relationship ($p < .05$) between

them. The independent variable is marketing mix (store image, price, advertising

spending, distribution intensity, price deals). The dependent variable is customer

loyalty of word-of-mouth communication (H_{1a}), price insensitivity (H_{1b}), and

purchase intention (H_{1c}).

Hypothesis 2 (H_2) was tested to answer research question 2, what is the

relationship between customer perceived value and customer loyalty. Multiple

regression was used to examine if there is a significant relationship ($p < .05$) between

them. The independent variable is customer perceived value (perceived quality and

sacrifice). The dependent variable is customer loyalty of word-of-mouth

communication (H_{2a}), price insensitivity (H_{2b}), and purchase intention (H_{2c}).

Hypothesis 3 (H_3) was tested to answer research question 3, what is the

relationship between marketing mix, customer perceived value, and customer loyalty.

Multiple regression was used to examine if there is a significant relationship between

them. The independent variables are marketing mix (store image, price, advertising

spending, distribution intensity, price deals), customer perceived value (perceived

quality and sacrifice). The dependent variable is customer loyalty of word-of-mouth

communication (H_{3a}), price insensitivity (H_{3b}), and purchase intention (H_{3c}).

Hypothesis 4 (H_4) was tested to answer research question 4, what is the

relationship between marketing mix, customer perceived value, relationship quality

and customer loyalty. Mulitple regression was used to examine if there is a

significant relationship among them. The independent variables are marketing mix

(store image, price, advertising spending, distribution intensity, price deals), customer

perceived value (perceived quality and sacrifice), and relationship quality (customer

satisfaction, trust, and commitment). The dependent variable is customer loyalty of

word-of-mouth communication (H_{4a}), price insensitivity (H_{4b}), and purchase intention

(H_{4c}).

In addition to explore retail store customers' loyalty perceptions

(word-of-mouth communication, price insensitivity, and purchase intentions),

ANOVA tests was conducted using a 5 x 3 factorial design to determine significant

differences ($p < .05$) of consumers' loyalty among the five different types of retail

stores in this study (Hanshin department store, 7-Eleven convenience store, Wellcome

supermarket, Carrefour hypermarket, and Costco warehouse club). If any loyalty

measure (word-of-mouth communication, price insensitivity, and purchase intentions)

is significant ($p < .05$), then a post hoc procedure using the Scheffe method was completed and further examine the two-retail store differences. The Scheffe method is recommended as the most conservative post hoc test (Hair et al., 2010).

Evaluation of Research Methods

Internal Validity

Internal validity strengths. The internal validity strengths include:

1. When examining causal inferences, a quantitative, non-experimental, and explanatory research design is a stronger research design in comparison to a quantitative exploratory or descriptive research.

2. Higher internal validity of the quantitative research design is obtained contrasting to a qualitative research design.

3. Adapting reliable and valid research instruments to measure variables enhances the internal validity.

4. The sample size was adequate for the required statistical analysis.

Internal validity weaknesses. The internal validity weaknesses include:

1. A non-experimental research design is a weakness comparing to an experimental research design.

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2. Certain constructs are less than the generally acceptable Cronbach's alpha of .70 but all exceed .65.

3. Using instruments with parts from different researchers may not have similar reliability as their original used.

External Validity

External validity strengths.   The external validity strengths include:

1. The survey was conducted in a natural environment, not a laboratory setting.

2. The proportionate and systematic sampling plans are used to decrease the sampling bias and to increase representativeness of the sample from the target population.

3. The sampling plan permits generalization to the five retail stores in Kaohsiung city of Taiwan.

4. The sample was accessed to customers that shop in five retail stores in Kaohsiung city in Taiwan.

External validity weaknesses.   The external validity weaknesses include:

1. Limiting the accessibility to customer in five retail stores in Taiwan and the particular survey period.

2. The customers may not represent all customers shopping in retail stores during the year.

3. The sample was accessed to five retail store customers in one city in Taiwan limits the generalizability to other cities, other countries, or other retail stores.

Chapter III presented the research methods for testing the research hypotheses and answering the four research questions about the relationships between marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and customer loyalty in five Taiwanese retail stores. The description of research design, population and sampling plan, instrumentation, data coding scheme, procedures of ethical considerations and data collection method, method of data analysis, and evaluation of research methods were addressed. In chapter IV, the findings from the study will be presented.

CHAPTER IV

RESULTS

In chapter IV, data analysis is described in detail.   The results of the proposed

relationships between the marketing mix, customer perceived value, relationship

quality, and customer loyalty in Taiwanese retail stores is provided.   There are seven

sections in this chapter.   First, the sample and data detail for five Taiwanese retail

store shoppers are described.   Second, characteristics of retail store shoppers are

described.   Third, the validity of the instruments is examined by exploratory factor

analysis (EFA).   Fourth, the internal consistency reliability is measured by

Cronbach's alpha.   Fifth, descriptive statistics, frequency distribution and means and

standard deviation of all variables are summarized.   Sixth, in order to explore

significant differences of customers' loyalty between the five different types of

Taiwanese retail stores, ANOVA with post hoc in the fourth section is analyzed.

Seventh, multiple regression is adopted to explore any significant relationships

between marketing mix, customer perceived value, customer relationship quality, and

customer loyalty in five retail stores.   That is whether these independent variables

are the explanatory variables of customer loyalty.

Sample and Data Details

In this study, 890 eligible customers of five retail stores in Taiwan were invited to participate in the study through face-to-face invitation. Of these customers, 593 agreed to participate. The final number of usable questionnaires is 500, for a response rate of 67% (583/890) and a valid response rate of 56% (500/890). Table 24 presents the frequency of total customers invited, total participated customers, valid and invalid questionaires. The 500 sample includes an equal retail representation (n=100) from 7-Eleven convenience store, Wellcome supermarket, Carrefour hypermarket, Costco warehouse club, and Hanshin department store. All of the questionnaires were coded and analyzed through the PASW 18 computer software.

Table 24

The Frequency of Total Customers

Store Name	Customer invited	Total Participated Customers	Invalid Responses	Valid responses
7-Eleven	192	125	25	100
Carrefour	171	117	17	100
Wellcome	175	119	19	100
Costco	165	115	15	100
Hanshin	187	117	17	100
Total	890	593	93	500

Characteristics of Retail Store Customers

Characteristics of retail store customers are shown in Table 25. The sample

indicated that the customers were dominated by female (64.8%) than male (35.2%).

The largest age group was between 26 to 35 years old (30%), and the smallest age

group was 66 years old and above (2.8%). The majority was between 26 to 45 years

old (57.2%). Most customers were married (63.8%). Many of the customers had

earned a bachelor degree (62.2%). The majority of customers had above 4 people

who live in the same household (69.0%), and had two people employed in the

household (45.6%). The shoppers were most likely a professional (18.6%),

housekeeper (15.8%), clerk, salesperson, or service worker (13.4%) or an

administrative position (9.8%). The majority of the shoppers had a personal monthly

income of less than $660 or less (23.8%), US$661 to $990 (22.4%), US$991 to

$1,320 (18.4%), US$1,321 to $1,650 (10.0%). Most customers had a household

monthly income between US$1,321 and $3,300 (62.4%) with the range of US$1,321

to $1,980 (22.6%), US$1,981 to $2,640 (19.8%), and US$2,641 to $3,300 (20.0%).

The vast majority of customers spent less than US$99.00 per visit (85.6%) with the

highest category being US$33.00 to $67.00 (20.0%). The majority monthly

shopping frequency was one to two times (48.8%). Regarding how many competing

retail stores that they had shopped at during the past year, only 8% customers

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remained shoppers at the same store during the past year, and 28.6 % customers had

shopped at 5 or more other stores.

Table 25

Customer Profiles of Five Retail Stores

Demographic Variables	1	2	3	4	5	Total	Total %
Gender							
Male	39	34	42	38	23	176	35.2
Female	61	66	58	62	77	324	64.8
Age							
18-25	16	20	10	9	16	71	14.2
26-35	30	33	26	29	32	150	30.0
36-45	26	23	34	26	27	136	27.2
46-55	18	16	19	23	18	94	18.8
56-65	8	5	7	9	6	35	7.0
66+	2	3	4	4	1	14	2.8
Marital Status							
Single	39	41	28	26	34	168	33.6
Married	59	57	67	72	64	319	63.8
widowed	0	1	3	1	2	7	1.4
Divorced	2	1	2	1	0	6	1.2
Education Level							
Primary school	3	3	2	3	1	12	2.4
Junior school	7	8	5	3	5	28	5.6
High school	17	21	20	17	14	89	17.8
Bachelor degree	64	60	57	61	69	31	62.2
Master's degree	9	7	15	13	9	53	10.6
Doctorate degree	0	1	1	3	2	7	1.4
People in the Household							
1	0	3	3	3	2	11	2.2
2	6	6	6	8	9	35	7.0
3	22	21	23	22	21	109	21.8
4+	72	70	68	67	68	345	69.0
People employed in the household							
1	25	16	24	23	22	110	22.0
2	51	44	43	45	45	228	45.6
3	10	21	13	14	15	73.	14.6
4+	14	19	20	18	18	89	17.8

Table 25 (continued)

Customer Profiles of Five Retail Stores

Demographic Variables	1	2	3	4	5	Total	Total %
Occupation							
Corp executive, manager, or supervisor	3	3	3	6	3	18	3.6
Business owner	3	1	4	5	2	15	3.0
Engineer	8	7	6	9	6	36	7.2
Professional	16	18	22	23	14	93	18.6
Clerk, salesman, or service worker	14	11	14	11	17	67	13.4
Operator	7	11	8	4	3	33	6.6
Administrative personnel	9	9	12	5	14	49	9.8
Industrial labor	4	10	4	6	5	29	5.8
Housekeeper	18	14	15	15	17	79	15.8
Student	7	11	1	4	11	34	6.8
Unemployed	2	0	2	1	4	9	1.8
Retired	6	5	6	7	3	27	5.4
Other	3	0	3	4	1	11	2.2
Personal Month Income (USD)							
660 or less	27	27	16	19	30	119	23.8
661 – 990	21	30	25	17	19	112	22.4
991 – 1,320	19	22	13	17	21	92	18.4
1,321 – 1,650	9	10	13	8	10	50	10.0
1,651 – 1,980	8	3	12	15	9	47	9.4
1,981 – 2,310	6	1	5	7	3	22	4.4
2,311 – 2,640	3	3	7	6	3	22	4.4
2,641 – 2,970	1	0	4	3	2	10	2.0
2,971 – 3,300	2	2	2	4	1	11	2.2
3,301 or above	4	2	3	4	2	15	3.0
Household Monthly Income (USD)							
660 or less	1	5	3	4	4	17	3.4
661 – 1,320	8	6	5	6	6	31	6.2
1,321 – 1,980	20	19	25	20	29	113	22.6
1,981 – 2,640	19	25	18	21	16	99	19.8
2,641 – 3,300	22	25	19	14	20	10	20.0
3,301 – 3,960	6	8	8	11	11	44	8.8
3,961 – 4,950	14	5	14	9	7	49	9.8
4,951 – 5,940	6	3	6	11	4	30	6.0
5,941 – 6,600	1	1	0	1	0	3	0.6
6,601+	3	3	2	3	3	14	2.8

Table 25 (Continued)

Customer Profiles of Five Retail Stores

Demographic Variables	1	2	3	4	5	Total	Total %
Spending per Visit (USD)							
3.00 or less	30	15	2	3	4	54	10.8
4.00– 8.00	46	13	3	0	6	68	13.6
9.00 – 17.00	14	23	11	3	6	57	11.4
18.00 – 33.00	2	28	16	6	15	67	13.4
34.00 – 66.00	4	14	41	20	21	100	20.0
67.00 – 99.00	3	6	22	30	21	82	16.4
100 – 149	1	1	4	17	12	35	7.0
150 – 198	0	0	1	12	6	19	3.8
199 – 248	0	0	0	4	4	8	1.6
249 – 297	0	0	0	2	1	3	0.6
298 – 330	0	0	0	0	2	2	0.4
331 or above	0	0	0	3	2	5	1.0
Shopping frequency last month							
0	2	33	9	20	25	89	17.8
1	8	27	30	27	28	120	24.0
2	12	19	31	34	28	124	24.8
3	13	10	13	8	8	52	10.4
4	6	5	8	4	5	28	5.6
5+	59	6	9	7	6	87	17.4
Switching Store frequency last year							
0	5	7	12	26	7	57	11.4
1	9	8	18	20	10	65	13.0
2	25	18	32	23	25	123	24.6
3	14	18	11	8	19	70	14.0
4	6	12	7	6	11	42	8.4
5+	41	37	20	17	28	143	28.6

Note. 1:7-Eleven; 2: Wellcome; 3: Carrefour Hypermarket; 4: Costco warehouse club; 5: Hanshin Department Store

Exploratory Factor Analysis

Factor analysis helps to extract a set of interrelated factors to ensure the instrument's construct validity (Morgan, Leech, Gloeckner, & Barrett, 2011). In this study, the instruments were adapted from the previous studies that comprised five

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constructs of marketing mix, perceived value, relationship quality, and customer

loyalty.   Of the marketing mix construct of price, advertising spending, price deals,

store image, and distribution intensity was measured by three items each.

Customer perceived value was a multiple dimensional construct which was composed

of perceived quality and sacrifice and measured by six and three items, respectively.

Of the 11-item relationship quality was also a multiple dimensional construct and was

composed by five customer satisfaction items, three trust items, and three

commitment items.   Customer loyalty included three constructs of three

word-of-mouth communication items, two price insensitivity items, and four purchase

intention items.

Kaiser-Meyer-Olkin (KMO) test and Bartlett's test were used to examine

multivariate normality and adequacy of items prior to performing EFA (Morgan et al.,

2011).   KMO test should be greater than .70 and Bartlett's test should have a

significant value ($p<.05$) (Lee et al., 2005).   Table 26 shows that the KMO test was

greater than .70 and the Bartlett's test was significant ($p=<.05$).

Table 26

KMO and Bartlett's Test

Construct	KMO and Bartlett's Test			
	KMO	Value	df	Sig. *(p)*
Marketing Mix	.768	4424.34	91	.000
Perceived Value	.746	1151.16	15	.000
Relationship Quality	.875	5041.29	55	.000
Customer Loyalty	.818	1540.96	15	.000

In the following step, EFA was conducted to examine variables and determine which ones were associated with the marketing mix, customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and customer loyalty. Table 27 presents the results of factor analysis of the marketing mix. Of the 15 items in the marketing mix instruments (three items for each construct), only one item (distribution intensity#3) was removed (See Appendix G, Panel A). Therefore, three items each for the constructs of price, advertising spending, price deals and store, and two items for the distribution intensity. The factor loading of marketing mix ranged from .715 to .925. Factor loading ranged from .882 to .925 for advertising spending, .803 to .924 for store image, .755 to .897 for price, .715 to .868 for price deals, and .862 to .883 for distribution intensity.

Table 27

Factor Loading for Marketing Mix

Item	Factor Loading				
	Advertising Spending	Store Image	Price	Price Deal	Distribution Intensity
Advertising Spending 3	.925				
Advertising Spending 2	.920				
Advertising Spending 1	.882				
Store Image 2		.924			
Store Image 1		.910			
Store Image 3		.803			
Price 1			.897		
Price 3			.883		
Price 2			.755		
Price Deal 3				.868	
Price Deal 2				.843	
Price Deal 1				.715	
Distribution Intensity 2					.883
Distribution Intensity 1					.862

Customer perceived value included two constructs of perceived quality (six items) and sacrifice (three items). Two items (Perceived quality #1 and #6) were removed from the perceived quality and one item (Sacrifice #1) from sacrifice (See Appendix G, Panel B). The factor loading of customer perceived value shown in Table 28 ranged from .772 to .886. The range was .772 to .886 for perceived quality and .845 to .853 for sacrifice.

Table 28

Factor Loading for Customer Perceived Value

Item	Factor Loading	
	Perceived Quality	Sacrifice
Perceived Quality 4	.886	
Perceived Quality 5	.873	
Perceived Quality 2	.855	
Perceived Quality 3	.772	
Sacrifice 2		.853
Sacrifice 3		.845

The instrument of relationship quality included five customer satisfaction items, three trust items, and three commitment items. No items were removed. See Appendix G, Panel C for item details. The factor loading of relationship quality shown in Table 29 ranged from .824 to .918. The range was .824 to .899 for customer satisfaction, .841 to .896 for trust, and .853 to .918 for commitment.

Table 29

Factor Loading for Relationship Quality

Item	Factor Loading		
	Satisfaction	Trust	Commitment
Satisfaction 3	.899		
Satisfaction 4	.890		
Satisfaction 1	.886		
Satisfaction 2	.886		
Satisfaction 5	.824		

Table 29 (continued)

Factor Loading for Relationship Quality

Item	Factor Loading		
	Satisfaction	Trust	Commitment
Trust 2		.896	
Trust 1		.881	
Trust 3		.841	
Commitment 2			.918
Commitment 1			.901
Commitment 3			.853

The factor loading of customer loyalty is shown in Table 30.   Of the 11-items

instrument, there were three word-of-mouth communication items, two price

insensitivity items and four purchase intention items.

Table 30

Factor Loading for Customer Loyalty

Item	Factor Loading		
	Word-of-Mouth	Purchase Intention	Price Insensitivity
Word-of-Mouth 1	.880		
Word-of-Mouth 2	.869		
Word-of-Mouth 3	.850		
Purchase Intentions 2		.862	
Purchase Intentions 3		.851	
Price Insensitivity 1			.957

The factor loading of customer loyalty ranged from .850 to .957.   This included .850

to .880 for word-of-mouth communications, .851 to .862 for purchase intentions,

and .957 for price insensitivity.

Reliability Analysis

Cronbach's alpha was used to test the internal consistency and stability of the

instrument (See Table 31).   Through Cronbach's alpha, the coefficients of marketing

Table 31

Reliability Statistics

Construct Variable	No. of item(s)	Cronbach's Alpha (α)
Marketing Mix	14	.776
Price	3	.858
Advertising Spending	3	.919
Price Deals	3	.791
Distribution Intensity	3	.900
Store Image	2	.872
Customer Perceived value	6	.682
Perceived Quality	4	.866
Sacrifice	2	.609
Relationship Quality	11	.858
Customer Satisfaction	5	.954
Trust	3	.919
Commitment	3	.871

Table 31 (Continued)

Reliability Statistics

Construct Variable	No. of item(s)	Cronbach's Alpha (α)
Customer Loyalty	6	.845
Word-of-Mouth Communication	3	.901
Price Insensitivity	1	N.A.
Purchase Intention	2	.760

mix, relationship quality, and customer loyalty exceeded the minimum of .700 (Lee et al., 2005) with .776 (price= .858, advertising spending= .919, price deals= .791, distribution intensity= .90, and store image= .872), .858 (customer satisfaction= .954, trust =.919, and commitment= .871), and .845 (word-of-mouth =.901 and purchase intention= .760), respectively. Customer perceived value had a reliability of .682 (perceived quality= .866 and sacrifice= .609), which exceeded the minimum of .600 for exploratory analysis (Hair et al., 2006).

Descriptive Statistics

Frequency Distribution of All Variables

Retail store shoppers' perception for the marketing mix elements is shown in Table 32.   First, shoppers were satisfied with the price that stores offered .

Meanwhile, they believed that the stores carry more products than their competitor

and provide high quality and brand name products.   Second, stores' promotion

strategy helped to increase customer demand.   In this study, customers believed that

the sales promotional strategies were proper and advertising campaigns are adequate.

Table 32

Frequency Distribution for Marketing Mix Elements

	Strongly Disagree (%)			Neutral(%)			Strongly Agree (%)			
	1	2	3	4	5	6	7	8	9	Mean
Price										
The price in (Retail Store) is high	2.0	3.6	6.2	8.6	35.6	10.4	13.0	10.2	10.4	5.69
The price of (Retail store) is low	8.0	4.6	4.8	8.4	34.4	14.0	13.8	9.4	9.8	5.74
(Retail Store) is expensive	2.2	4.8	9.6	10.0	31.0	11.8	13.0	8.6	9.0	5.47
Advertising Spending										
(Retail Store) is intensively advertised	3.8	6.0	7.4	9.0	31.8	11.2	12	8.6	10.2	5.45
The ad campaigns for (Retail Store) seem very expensive, compared to campaigns for competing stores	6.0	6.6	9.4	12.0	28.8	9.4	10.8	7.8	9.2	5.17
The ad campaigns for (Retail Store)are seen frequently	5.8	7.2	11.6	11.8	25.8	10.2	9.8	8.8	9.0	5.12

Table 32 (continuted)

Frequency Distribution for Marketing Mix Elements

	Strongly Disagree (%)			Neutral(%)		Strongly Agree (%)				
	1	2	3	4	5	6	7	8	9	Mean
Price Deal										
Price deals for (Retail Store)are frequently offered	2.4	4.2	9.8	12.4	31.6	12.6	15.2	6.6	5.2	5.29
Too many times price deals for (Retail Store) are presented	9.2	11.6	15.6	13.8	30.8	8.0	7.2	1.4	2.4	4.20
Price deals for (Retail Store)are emphasized more than seems reasonable	11.6	10.6	16.0	14.0	28.2	8.0	5.8	3.6	2.2	4.15
Store Image										
(Retail Store) carries products of high quality	1.2	1.6	4.8	8.2	35.4	18.2	15.4	7.4	7.8	5.75
(Retail Store) has well-known brands	1.0	1.0	5.6	6.8	25.8	18.0	16.8	11.6	13.4	6.15
(Retail Store) would be of high quality	1.0	1.6	4.6	8.2	30.6	19.4	18.0	7.4	9.2	5.88

Table 32 (continuted)

Frequency Distribution for Marketing Mix Elements

	Strongly Disagree (%)			Neutral(%)			Strongly Agree (%)			
	1	2	3	4	5	6	7	8	9	Mean
Distribution Intensity										
(Retail Store) sells more goods, as compared to its competing stores	.6	1.2	5.4	8.2	32.0	19.2	15.6	9.4	8.4	5.87
(Retail Store) provides more goods than its competing stores.	.4	2.4	4.4	8.4	30.2	19.2	17.0	10.2	7.8	5.89

The perceived value for retail store customers is shown in Table 33. Retail store shoppers believed that the store they shopped was of high quality, reliable, and well functional. And it was not a great degree of time and effort for them to go to the store.

Table 33

Frequency Distribution for Perceived Value Variables

	Strongly Disagree (%)			Neutral(%)			Strongly Agree (%)			
	1	2	3	4	5	6	7	8	9	Mean
Perceived Quality										
The likely quality of (Retail Store) is extremely high.	1.6	2.2	6.6	10.8	29.8	22.4	14.4	6.2	6.0	5.57

Table 33 (continued)

Frequency Distribution for Perceived Value Variables

	Strongly Disagree (%)			Neutral(%)		Strongly Agree (%)				
	1	2	3	4	5	6	7	8	9	Mean
The likelihood that (Retail Store) would be functional is very high.	1.0	2.0	7.0	9.6	27.0	19.8	15.2	8.8	9.6	5.81
The likelihood that (Retail Store) is reliable is very high	.8	.8	5.0	7.4	27.8	22.8	15.4	10.8	9.2	6.00
(Retail Store) must be of very good quality	.8	1.6	5.2	11.4	33.2	20.8	14.0	6.4	6.6	5.65
Sacrifice										
The time required to go to (Retail Store) is	4.0	8.2	10.0	12.6	29.4	14.4	10.6	6.8	4.0	4.99
The effort that I must make to receive the services offer by (Retail Store) is	1.2	3.2	7.6	12.8	39.6	16.6	11.8	4.8	2.4	5.22

Relationship quality was measured by customer satisfaction, trust, and commitment. Table 34 shows the retail store shoppers' perceptions for relationship quality. Shoppers generally were satisfied with the retail store which met their expectations and provided quality goods or services. Furthermore, shoppers felt confident about their store and were willing to make commitment to the store. There was 22.2% of the shoppers strongly disagreed to switch to other store because of the

higher price.   Meanwhile, 19.8 % of shoppers strongly disagreed to go to another

store even if the store was not nearby.

Table 34

Frequency Distribution for Relationship Quality Variables

	Strongly Disagree (%)			Neutral(%)			Strongly Agree (%)			
	1	2	3	4	5	6	7	8	9	Mean
Customer Satisfaction										
(Retail Store) confirms my expectations	1.2	3.6	7.8	11.0	25.2	21.2	20.4	7.0	2.6	5.51
I am satisfied with the price/quality ratio of (Retail Store).	1.6	3.2	8.0	12.4	25.0	24.2	18.2	5.8	1.6	5.40
I am really satisfied with (Retail Store)	1.0	2.6	8.6	14.0	21.2	21.4	21.2	7.6	2.4	5.53
In general, I am satisfied with (Retail Store)	.6	1.8	9.6	12.4	18.0	23.8	22.0	8.6	3.2	5.67
In general, I am satisfied with the service I get from (Retail Store)	.8	2.8	9.6	9.6	19.4	21.8	22.4	10.2	3.4	5.70
Trust										
(Retail Store) gives me a feeling of confidence	.4	1.2	3.6	8.8	29.6	20.6	18.0	8.6	9.2	5.98
I have faith in (Retail Store)	.4	1.0	4.2	10.2	30.2	19.0	16.4	9.4	9.2	5.94
(Retail Store) enjoys my confidence	.6	1.4	5.6	9.2	37.4	17.4	11.0	7.6	9.8	5.74

Table 34 (Continued)

Frequency Distribution for Relationship Quality Variables

	Strongly Disagree (%)			Neutral(%)			Strongly Agree (%)			
	1	2	3	4	5	6	7	8	9	Mean
Commitment										
If products are cheaper at another store than at (Retail Store), then I go to the other stores.	22.2	10.4	14.8	13.6	22.8	7.2	5.0	2.8	1.2	3.67
If there (Retail Store) is not nearby, then I go to another store	19.8	14.6	17.0	15.8	18.4	5.4	5.6	2.0	1.4	3.55
If I intend to go to (Retail Store), it is easy to make me change my mind. So that I in fact go to another store.	8.2	9.2	11.2	11.4	35.4	9.4	6.8	5.6	2.8	4.57

Customer loyalty was measured by word-of-mouth communication, price insensitivity, and purchase intention. Table 35 shows customer loyalty for retail store shoppers. Shoppers were willing to communicate positive words, gave recommendation, and encouraged others to shop at the stores. However, when thinking about repurchase intention, shoppers would consider their received benefits with other competitors.

Table 35

Frequency Distribution for Customer Loyalty Variables

	Strongly Disagree (%)			Neutral(%)			Strongly Agree (%)			
	1	2	3	4	5	6	7	8	9	Mean
Word-of-Mouth										
I say positive thing about (Retail Store) to other people.	4.2	5.2	10.0	15.4	33.4	13.6	9.8	4.0	4.4	4.95
I recommend (Retail Store) to someone who seeks advice.	2.8	4.8	8.8	12.2	33.4	18.0	10.4	5.2	4.4	5.17
I encourage friends to go to (Retail Store)	3.4	4.8	10.4	13.6	33.8	14.6	10.6	4.6	4.2	5.04
Price Insensitivity										
I am willing to pay a higher price than other stores charge for the benefits I currently receive from (Retail Store).	16.6	9.0	14.0	12.4	25.4	9.8	7.2	3.4	2.2	4.09
Purchase Intention										
I consider (Retail Store) as my first choice.	8.0	7.0	10.6	10.6	34.6	10.2	8.8	5.6	4.6	4.78
I will go more often to (Retail Store) in the next few weeks.	6.0	5.4	11.2	14.0	42.8	11.2	5.2	2.2	2.0	4.60

The Means and Standard Deviation of All Variables

As shown in Table 36, all variables in this study are briefly described.   The

distributions of these variables were approximately normal because of the absolute

values of the skewness were less than one (Morgan et al., 2011).

Table 36

Descriptive analysis of all variables

Construct (items) Variable (Items)	Store Type	Mean	Std. deviation	Skewness
Marketing Mix (14)	1	5.7750	87145	.443
	2	4.6283	.82019	-.469
	3	5.3290	.76444	.802
	4	5.2920	.86925	.512
	5	5.7167	.81429	-.296
	Total	5.3482	.92184	.102
Price (3)	1	5.5567	5.5567	.281
	2	4.8700	.82183	-.500
	3	4.7000	.70353	.385
	4	5.0000	.97557	.604
	5	5.5733	.94171	.080
	Total	5.1400	.93971	.301
Advertising spending (3)	1	6.8633	1.77215	-.693
	2	4.4167	1.44745	.154
	3	5.9533	1.86468	-.093
	4	3.5033	1.62852	.215
	5	5.4933	1.35212	.221
	Total	5.2460	2.00015	.029

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Table 36 (continued)

Descriptive analysis of all variables

Construct (items) Variable (Items)	Store Type	Mean	Std. deviation	Skewness
Price deals (3)	1	4.4900	1.61604	.049
	2	3.9500	1.36278	-.354
	3	5.1300	1.21983	.218
	4	4.8833	1.82843	.302
	5	4.2800	1.58820	.070
	Total	4.5467	1.58828	.099
Distribution intensity (2)	1	6.2650	1.49486	-.253
	2	4.6250	1.20892	-.339
	3	5.7950	1.35977	.238
	4	6.3800	1.48072	.227
	5	6.3400	1.56166	.056
	Total	5.88100	1.56788	.083
Store Image (3)	1	5.7000	1.35380	-.015
	2	5.2800	1.37128	.061
	3	5.0667	1.28271	-.050
	4	6.6933	1.41555	.195
	5	6.8967	1.52104	-.624
	Total	5.9273	1.57109	.053
Customer Perceived Value (6)	1	5.3838	.76978	-.065
	2	4.7988	.75626	-.115
	3	5.0425	.88980	.131
	4	6.0088	.99100	-.017
	5	5.9150	1.05168	.122
	Total	5.4298	1.01342	.261
Perceived quality (4)	1	6.4375	1.24791	.200
	2	5.0375	1.20100	-.112
	3	5.1850	1.17777	-.391
	4	6.1875	1.53469	.155
	5	5.9350	1.39607	.036
	Total	5.7565	1.42474	.126

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Table 36 (Continued)

Descriptive analysis of all variables

Construct (items)	Store Type	Mean	SD	Skewness
Sacrifice (2)	1	4.3300	1.30697	-.371
	2	4.5600	1.15968	.307
	3	4.9000	1.21231	-.239
	4	5.8300	1.32806	-.176
	5	5.8950	1.60381	-.383
	Total	5.1030	1.47521	.028
Relationship Quality (11)	1	5.2598	.97995	.049
	2	4.6858	1.01386	.141
	3	4.9887	.97469	.007
	4	5.5860	1.25221	.342
	5	5.9350	1.39607	.036
	Total	5.1272	1.10473	.301
Customer Satisfaction (5)	1	5.8360	1.43924	-.611
	2	4.8040	4.64777	-.119
	3	5.6360	1.28279	-.180
	4	5.9480	1.48925	-.268
	5	5.5940	1.49921	-.364
	Total	5.5636	1.52427	-.365
Trust (3)	1	6.2967	1.34247	.154
	2	5.1800	4.48650	.452
	3	5.5367	1.34080	-.029
	4	6.3933	1.61807	.198
	5	6.0267	1.52839	.232
	Total	5.8867	1.53271	.210
Commitment (3)	1	3.6467	1.71468	.279
	2	4.0733	4.53125	.122
	3	3.7933	1.68893	.005
	4	4.4167	1.97707	.254
	5	3.7267	1.86610	.359
	Total	3.9313	1.77778	.248

Table 36 (Continued)

Descriptive analysis of all variables

Construct (items) Variable (Items)	Store Type	Mean	Std. deviation	Skewness
Customer Loyalty (6)	1	4.8228	1.30647	.085
	2	4.1500	1.22137	-.588
	3	4.2056	1.36274	.052
	4	5.2578	1.50392	-.006
	5	4.6222	1.39582	.281
	Total	4.6117	1.41657	.092
Word-of-Mouth (3)	1	5.1133	1.47727	-.228
	2	4.4100	1.36729	-.148
	3	4.5467	1.46376	-.439
	4	5.9433	1.70235	.050
	5	5.2467	1.68016	.224
	Total	5.0520	1.63257	.097
Price insensitivity (1)	1	4.2200	2.10617	.028
	2	3.8800	1.74240	-.093
	3	3.6100	1.97405	.311
	4	4.8500	2.28024	-.161
	5	3.9100	2.14662	.294
	Total	4.0940	2.09331	.146
Purchase Intentions (2)	1	5.1350	1.59205	-.543
	2	4.1600	1.44579	-.554
	3	4.4600	1.60126	-.363
	4	4.9800	1.77086	.029
	5	4.7100	1.69994	.073
	Total	4.6990	2.09331	.146

Note. 1:7-Eleven, 2: Wellcome, 3: Carrefour Hypermarket, 4: Costco warehouse club, 5: Hanshin Department Store

The marketing mix construct was calculated by 14 items to measure five

variables, price, advertising spending, price deals, distribution intensity, and store

image.   7-Eleven shoppers had the highest mean in marketing mix construct –

7-Eleven shoppers thought that the product prices were high, the advertisings were

frequent, promotions were often offered, and more products and services were

provided than other convenience stores.   Carrefour shoppers thought that the store

had advertising campaigns and sales promotion frequently.   Costco was the store that

never advertised through public broadcasting.   Shoppers thought that product price

was high in the store.   But they believed that the store sold more product assortments

and better quality goods than its competitors.   Hanshin department store shoppers

had the highest mean in price, store image, and distribution intensity.   Customers

believed that the store offered high quality and well-known brand products.

Meanwhile, the store provided more product assortments and better services than

other department stores.   The price was high in this store.

Customer perceived value was calculated by six items to measure two

variables, customer perceived quality and sacrifice.   The result indicated that

customers spent very less time and effort to reach 7-Eleven stores and much time and

effort to reach Costco.   However, both of two store shoppers believed that the store

carry high quality products and offered many assortments of products.

For the relationship quality, it was calculated by 11 items to measure three

constructs, customer satisfaction, trust, and commitment. Costco shoppers were the

most satisfied with the store and highly trust and committed to the store. Meanwhile,

they were less price sensitivity and were willing to spend more time and effort to go

to the store. 7-Eleven convenience store and Hanshin department store shoppers had

high level of customer satisfaction and trust. However, they were less willing to

show commitment to the store as compared to Costco. The switch behavior

appeared when shoppers found less expensive prices in other stores or 7-Eleven and

Hanshin stores were not nearby.

Customer loyalty construct was calculated by six items to measure three

variables, word-of-mouth communication, price insensitivity, and purchase intentions.

Costco shoppers are the most loyal among five stores. They were willing to

communicate positive comments about the store and recommended others to go to the

store. Meanwhile, they showed less price sensitivity and considered Costco as their

first choice.

Pearson *r* Correlation

Pearson *r* correlation was used to indicate the strength and direction of the

relationships between two variables. The Pearson *r* correlation matrix is shown in

Table 37, indicated the relationship between most independent variables was weak

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(Pearson $r < .24$) to moderate (Pearson $r < .50$) except the relationship between

distribution intensity and store image (Pearson $r = .533$), store image and perceived

value (Pearson $r = .535$), and customer satisfaction and trust (Pearson $r = .604$). For

the relationship between independent variables and dependent variables

(word-of-mouth, price insensitivity, and purchase intention), it was between weak to

moderately strong (Pearson $r < .74$), with the highest Pearson r at .569 between trust

and word-of-mouth communication.

Table 37

Pearson r Correlation for All the Variables

	PR	AS	PD	DI	SI	PV	CS	TR	CO	WM	PI	PU
PR	1											
AS	.277**	1										
PD	.028	.217**	1									
DI	.163**	.134**	.272**	1								
SI	.232**	-.052	.150**	.533**	1							
PV	.179**	-.006	.182**	.415**	.535**	1						
CS	.012	.083	.306**	.397**	.377**	.308**	1					
TR	.082	.044	.255**	.411**	.485**	.375**	.604**	1				
CO	-.126**	-.087	.085	-.019	-.006	.023	.025	.035	1			
WM	.059	-.045	.278**	.348**	.375**	.337**	.418**	.569**	.118**	1		
PI	-.016	-.029	.198**	.122**	.144**	.193**	.183**	.241**	.263**	.413**	1	
PU	-.029	.109*	.354**	.257**	.258**	.248**	.389**	.441**	.267**	.535**	.368**	1

**. Correlation is significant at the .01 level (2-tailed).

*. Correlation is significant at the .05 level (2-tailed).

ANOVA with Post Hoc

To identify significant differences ($p<.05$) differences of customers' loyalty

perception between convenience (7-Eleven), supermarket (Wellcome) hypermarket

(Carrefour), warehouse club (Costso), and department (Hanshin) stores, ANOVA with

post hoc (Scheffe method) was used to compare the three dependent customer loyalty

variables – word-of-mouth communication, price insensitivity, and purchase

intentions.   In this study, the customer loyalty instrument included three variables of

word-of-mouth communication, price insensitivity, and purchase intentions.

Furthermore, this study combined these measures (unweighted) to include customer

loyalty.   The descriptive statistic of customer loyalty for five retail stores is shown in

Table 38.

Table 38

Descriptive statistic of customer loyalty for five retail stores

Construct/Variables	Stores	N	Mean	Std. Deviation
Customer Loyalty	7-11 Convenience Store	100	4.8228	1.30647
	Wellcome Supermarket	100	4.1500	1.22137
	Carrefour Hypermarket	100	4.2056	1.36274
	Costco Warehouse Club	100	5.2578	1.50392
	Hanshin Department Store	100	4.6222	1.39582
	Total	500	4.6117	1.41657

Table 38 (Continued)

Descriptive statistic of customer loyalty for five retail stores

Construct/Variables	Stores	N	Mean	Std. Deviation
Word-of-Mouth	7-11 Convenience Store	100	5.1133	1.47727
Communication	Wellcome Supermarket	100	4.4100	1.36729
	Carrefour Hypermarket	100	4.5467	1.46376
	Costco Warehouse Club	100	5.9433	1.70235
	Hanshin Department Store	100	5.2467	1.68016
	Total	500	5.0520	1.63257
Price Insensitivity	7-11 Convenience Store	100	4.2200	2.10617
	Wellcome Supermarket	100	3.8800	1.74240
	Carrefour Hypermarket	100	3.6100	1.97405
	Costco Warehouse Club	100	4.8500	2.28024
	Hanshin Department Store	100	3.9100	2.14662
	Total	500	4.0940	2.09331
Purchase Intention	7-11 Convenience Store	100	5.1350	1.59205
	Wellcome Supermarket	100	4.1600	1.44579
	Carrefour Hypermarket	100	4.4600	1.60126
	Costco Warehouse Club	100	4.9800	1.77086
	Hanshin Department Store	100	4.7100	1.69994
	Total	500	4.6890	1.65689

For the customer loyalty, the customers of Costco appeared to be the most

loyal with the mean of 5.26 (sd=1.50) , and followed by 7-Eleven, Hanshin, Carrefour

and Wellcome with the mean of 4.82(sd=1.30), 4.62(sd=1.40), 4.20(sd=1.36), and

4.15(sd=1.22), respectively.   Costco shoppers (mean=5.94, sd=1.7) had the highest

level of word-of-mouth communication as compared to Hanshin department store

(mean=5.24, *sd*=1.68), 7-Eleven convenience store (mean=5.11, *sd*=1.47), Carrefour

Hypermarket (mean=4.54, *sd*=1.46), and Wellcome Supermarket shoppers

(mean=4.41, *sd*=1.36).   For price insensitivity, Costco shoppers had the highest level

of price insensitivity, with a mean score of 4.85 (*sd*=2.28).   This mean score was

followed by 7-Eleven, Hanshin, Wellcome, and Carrefour were 4.22 (*sd*=2.10),

3.91(*sd*=2.15), 3.88(*sd*=1.74), and 3.61(*sd*=1.97), respectively.   Shoppers of

7-Eleven convenience store had the highest level of purchase intention, with mean of

5.14 (*sd*=1.59), followed by Costco, Hanshin, Carrefour and Wellcome.   The order

of mean score among five stores is shown in Table 39.

Table 39

The Order of Mean Score among Five Stores

Order by Mean Score	1	2	3	4	5
Total Customer Loyalty	Costco	7-11	Hanshin	Carrefour	Wellcome
Word-of-Mouth	Costco	Hanshin	7-11	Carrefour	Wellcome
Price Insensitivity	Costco	7-11	Hanshin	Wellcome	Carrefour
Purchase Intentions	7-11	Costco	Hanshin	Carrefour	Wellcome

Customer loyalty grouped by three variables of word-of-mouth, purchase

intention, and price insensitivity.   The differences among the means for customer

loyalty (F=11.335), word-of-mouth communication (F=15.774), price insensitivity

(F=5.32), and purchase intention (F=5.325.83) were statistically significant at the .05

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level.   The result (see Table 40) indicated that customers had different perceptions

toward loyalty (word-of-mouth communication, price insensitivity, and purchase

intention) among five retail store types.

Table 40

ANOVA of Significant Differences of Customer Loyalty between Five stores

Variable		SS	df	MS	F
Customer Loyalty	Between Groups	84.020	4	21.005	11.335***
	Within Groups	917.310	495	1.853	
	Total	1001.330	499		
Word-of-Mouth	Between Groups	150.366	4	37.591	15.774***
Communication	Within Groups	1179.616	495	2.383	
	Total	1329.981	499		
Price Insensitivity	Between Groups	90.132	4	22.533	5.320***
	Within Groups	2096.450	495	4.235	
	Total	2186.582	499		
Purchase Intention	Between Groups	61.632	4	15.408	5.830***
	Within Groups	1308.258	495	2.643	
	Total	1369.890	499		

Note. ***$p < .001$

A statistically significant difference of customer loyalty (word-of-mouth

communication, price insensitivity, purchase intention) was found among five retail

stores.   Post Hoc test (Scheffé method) determined which stores differ from each

other.　The results of customer loyalty between the stores are shown in Table 41.

First, Costco shoppers had higher customer loyalty than Wellcome supermarket,

Carrefour hypermarket, and Hanshin department store.　Second, 7-Eleven

convenience store shoppers had greater customer loyalty than Wellcome and

Carrefour customers.

Table 41

Post Hoc Test of Customer Loyalty between Five Retail Stores

(I) Retail Store Type	(J) Retail Store Type	Mean Difference (I-J)	Std. Error	Sig.
7-11 Convenience Store	Wellcome Supermarket	.67278*	.19252	.017
	Carrefour Hypermarket	.61722*	.19252	.037
	Costco Warehouse Club	-.43500	.19252	.278
	Hanshin Department Store	.20056	.19252	.896
Wellcome Supermarket	7-11 Convenience Store	-.67278*	.19252	.017
	Carrefour Hypermarket	-.05556	.19252	.999
	Costco Warehouse Club	-1.10778*	.19252	.000
	Hanshin Department Store	-.47222	.19252	.200
Carrefour Hypermarket	7-11 Convenience Store	-.61722*	.19252	.037
	Wellcome Supermarket	.05556	.19252	.999
	Costco Warehouse Club	-1.05222*	.19252	.000
	Hanshin Department Store	-.41667	.19252	.323
Costco Warehouse Club	7-11 Convenience Store	.43500	.19252	.278
	Wellcome Supermarket	1.10778*	.19252	.000
	Carrefour Hypermarket	1.05222*	.19252	.000
	Hanshin Department Store	.63556*	.19252	.029
Hanshin Department Store	7-11 Convenience Store	-.20056	.19252	.896
	Wellcome Supermarket	.47222	.19252	.200
	Carrefour Hypermarket	.41667	.19252	.323
	Costco Warehouse Club	-.63556*	.19252	.029

The results of word-of-mouth between the stores are shown in Table 42.

First, Costco shoppers have better word-of-mouth communications than the other four

stores (7-Eleven, Wellcome, Carrefour, and Hanshin).   Second, 7-Eleven

convenience store shoppers have greater word-of-mouth communications than

Wellcome customers.   Third, Hanshin customers have higher word-of-mouth

communications than Wellcome and Carrefour customers.

Table 42

Post Hoc Test of Word-of-Mouth Communications between Five Retail Stores

(I) Retail Store Type	(J) Retail Store Type	Mean Difference		
		(I-J)	Std. Error	Sig. (*p*)
7-11 Convenience Store	Wellcome Supermarket	.70333*	.21831	.036
	Carrefour Hypermarket	.56667	.21831	.152
	Costco Warehouse Club	-.83000*	.21831	.006
	Hanshin Department Store	-.13333	.21831	.985
Wellcome Supermarket	7-11 Convenience Store	-.70333*	.21831	.036
	Carrefour Hypermarket	-.13667	.21831	.983
	Costco Warehouse Club	-1.53333*	.21831	.000
	Hanshin Department Store	-.83667*	.21831	.006
Carrefour Hypermarket	7-11 Convenience Store	-.56667	.21831	.152
	Wellcome Supermarket	.13667	.21831	.983
	Costco Warehouse Club	-1.39667*	.21831	.000
	Hanshin Department Store	-.70000*	.21831	.037

Table 42 (continued)

Post Hoc Test of Word-of-Mouth Communications between Five Retail Stores

(I) Retail Store Type	(J) Retail Store Type	Mean Difference (I-J)	Std. Error	Sig. (p)
Costco Warehouse Club	7-11 Convenience Store	.83000*	.21831	.006
	Wellcome Supermarket	1.53333*	.21831	.000
	Carrefour Hypermarket	1.39667*	.21831	.000
	Hanshin Department Store	.69667*	.21831	.039
Hanshin Department Store	7-11 Convenience Store	.13333	.21831	.985
	Wellcome Supermarket	.83667*	.21831	.006
	Carrefour Hypermarket	.70000*	.21831	.037
	Costco Warehouse Club	-.69667*	.21831	.039

Note.   * The mean difference is significant at the .05 level

Post Hoc test of price insensitivity as shown in Table 43 indicated that Costco customers had significantly higher price insensitivity than Wellcome, Carrefour and Hanshin shoppers.

Table 43

Post Hoc Test of Price Insensitivity between Five Retail Stores

(I) Retail Store Type	(J) Retail Store Type	Mean Difference (I-J)	Std. Error	Sig. (p)
7-11 Convenience Store	Wellcome Supermarket	.34000	.29104	.850
	Carrefour Hypermarket	.61000	.29104	.357
	Costco Warehouse Club	-.63000	.29104	.323
	Hanshin Department Store	.31000	.29104	.889

Table 43 (continued)

Post Hoc Test of Price Insensitivity between Five Retail Stores

(I) Retail Store Type	(J) Retail Store Type	Mean Difference (I-J)	Std. Error	Sig. (*p*)
Wellcome Supermarket	7-11 Convenience Store	-.34000	.29104	.850
	Carrefour Hypermarket	.27000	.29104	.930
	Costco Warehouse Club	-.97000*	.29104	.026
	Hanshin Department Store	-.03000	.29104	1.000
Carrefour Hypermarket	7-11 Convenience Store	-.61000	.29104	.357
	Wellcome Supermarket	-.27000	.29104	.930
	Costco Warehouse Club	-1.24000*	.29104	.001
	Hanshin Department Store	-.30000	.29104	.900
Costco Warehouse Club	7-11 Convenience Store	.63000	.29104	.323
	Wellcome Supermarket	.97000*	.29104	.026
	Carrefour Hypermarket	1.24000*	.29104	.001
	Hanshin Department Store	.94000*	.29104	.035
Hanshin Department Store	7-11 Convenience Store	-.31000	.29104	.889
	Wellcome Supermarket	.03000	.29104	1.000
	Carrefour Hypermarket	.30000	.29104	.900
	Costco Warehouse Club	-.94000*	.29104	.035

Note. * The mean difference is significant at the .05 level

Post Hoc test of purchase intentions is shown in Table 44.   The results

indicated that Costco shoppers had significantly higher purchase intentions than

Wellcome customers.   7-Eleven shoppers had higher purchase intentions than

Wellcome customers.

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Table 44

Post Hoc Test of Purchase Intentions between Five Retail Stores

(I) Retail Store Type	(J) Retail Store Type	Mean Difference (I-J)	Std. Error	Sig.
7-11 Convenience Store	Wellcome Supermarket	.97500*	.22991	.001
	Carrefour Hypermarket	.67500	.22991	.073
	Costco Warehouse Club	.15500	.22991	.978
	Hanshin Department Store	.42500	.22991	.491
Wellcome Supermarket	7-11 Convenience Store	-.97500*	.22991	.001
	Carrefour Hypermarket	-.30000	.22991	.790
	Costco Warehouse Club	-.82000*	.22991	.013
	Hanshin Department Store	-.55000	.22991	.223
Carrefour Hypermarket	7-11 Convenience Store	-.67500	.22991	.073
	Wellcome Supermarket	.30000	.22991	.790
	Costco Warehouse Club	-.52000	.22991	.277
	Hanshin Department Store	-.25000	.22991	.881
Costco Warehouse Club	7-11 Convenience Store	-.15500	.22991	.978
	Wellcome Supermarket	.82000*	.22991	.013
	Carrefour Hypermarket	.52000	.22991	.277
	Hanshin Department Store	.27000	.22991	.848
Hanshin Department Store	7-11 Convenience Store	-.42500	.22991	.491
	Wellcome Supermarket	.55000	.22991	.223
	Carrefour Hypermarket	.25000	.22991	.881
	Costco Warehouse Club	-.27000	.22991	.848

Note. * The mean difference is significant at the .05 level

The summary of Post Hoc test is shown in Table 45.   First, Costco shoppers

were more loyal than Wellcome, Carrefour, and Hanshin customers.   They had

greater word-of-mouth communications than the other four store customers.

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Moreover, they were less price sensitive than Wellcome, Carrefour, and Hanshin

shoppers.   Also, they had higher purchase intentions than Wellcome customers.

Second, 7-Eleven shoppers were more loyal than Wellcome and Carrefour customers.

Moreover, they had greater word-of-mouth communications and higher purchase

intentions than Wellcome shoppers.   Third, Hanshin shoppers had greater

word-of-mouth communications than Wellcome and Carrefour customers.

Table 45

Summary of Post Hoc Test Between Five Retail Stores

Stores	Variables	7-11	Wellcome	Carrefour	Hanshin
Costco	Total Customer Loyalty		1.10778*	1.05222*	.63556*
	Word-of-Mouth	.83000*	1.53333*	1.39667*	.69667*
	Price Insensitivity		.97000*	1.24000*	.94000*
	Purchase Intention		.82000*		
7-11	Total Customer Loyalty		.67278*	.61722*	
	Word-of-Mouth		.70333*		
	Purchase Intention		.97500*		
Hanshin	Word-of-Mouth		.83667*	.70000*	

Note.   * The mean difference is significant at the .05 level

Multiple Regression

In this study, the forward multiple regression was used to examine the causal relationships between independent variables of five marketing mix variables (price, price deal, store image, distribution intensity, and advertising spending) , two perceived value variables (perceived quality and sacrifice), and three relationship quality variables (customer satisfaction, trust, and commitment) and four dependent variables of customer loyalty, word-of-mouth communication, price insensitivity, and purchase intention for H_1, H_2, H_3, and H_4, respectively. Customer loyalty was measured by word-of-mouth communication, price insensitivity, and purchase intentions. Furthermore, this study combined these measures (unweighted) to include customer loyalty. The significant level of .05 was used. ANOVA F indicated whether the combination of the independent variables significantly predict dependent variable (Morgan et al., 2011). The β value indicated the direction of the relationship (direct or inverse) and estimated the contribution of one factor to the regression model (Morgan et al., 2011). The significant t value indicated whether the variable was significantly contributing to the equation for predicting the dependent variable (Morgan et al., 2011).

Research Hypothesis 1

For the H_1, as shown in Table 46, Panel A, ANOVA F-test presents the results

for the combination of marketing mix elements (price deal, store image, and

distribution intensity) significantly ($p<.001$) predicted customer loyalty, and

explained 19.4% of the variance. The strength order with customer loyalty was price

deal ($\beta=.282$), store image ($\beta=.220$), and distribution intensity ($\beta=.100$). All the

significant predictors of price deal, store image, and distribution intensity had a direct

relationship with customer loyalty. Thus, H_1 was partially supported.

For the H_{1a}, as shown in Table 46, Panel B, ANOVA F-test shown the

combination of marketing mix elements (store image, price deal, distribution intensity,

and advertising spending) significantly ($p<.001$) predicted word-of-mouth

communication and explained 21% of the variance. The order of strength

relationship was store image ($\beta=.245$), price deal ($\beta=.217$), distribution intensity

($\beta=.172$), and advertising spending ($\beta=-.102$). Furthermore, store image, price deal,

and distribution intensity had a direct relationship as well as advertising spending had

an inverse relationship with word-of-mouth communication. Thus, H_{1a} was partially

supported.

For the H_{1b}, as shown in Table 46, Panel C, ANOVA F-test presents the

results for the combination of marketing mix elements (price deal and store image)

significantly ($p<.001$) predicted price insensitivity and explained 4.9% of the variance.

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The order of strength relationship was price deal (β=.181) and store image (β=.117).

Furthermore, both of the significant predictors of price deal and store image had a

direct relationship with price insensitivity.   Thus, H_{1b} was partially supported.

For the H_{1c}, as shown in Table 46, Panel D, ANOVA F-test presents the

results for the combination of marketing mix elements (price deal, store image, price,

and advertising spending) significantly (p<.001) predicted purchase intention and

explained 17.6% of the variance.   The order of strength relationship was price deal

(β=.301), store image (β=.245), price (β=.-.119), and advertising spending (β=.089).

Furthermore, price deal, store image, and advertising spending had a direct

relationship as well as price had an inverse relationship with purchase intention.

Thus, H_{1c} was partially supported.

Table 46

Multiple Regression Coefficients of Marketing Mix for Customer Loyalty (H_1, H_{1a}, H_{1b},

H_{1c})

Panel A: Customer Loyalty					
R^2 = .195	Adjusted R^2 = .190	Standard Error = 1.27460		F = 40.117	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	1.762	.274		6.429	.000
Price Deal	.252	.037	.282	6.738	.000
Store Image	.198	.043	.220	4.625	.000
Distribution Intensity	.090	.044	.100	2.037	.042

Table 46 (Continued)

Multiple Regression Coefficients of Marketing Mix for Customer Loyalty (H_1, H_{1a},

H_{1b}, H_{1c})

Panel B: Word-of-Mouth Communication

R^2 =.217	Adjusted R^2 = .210	Standard Error =1.45090		F = 34.197	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	1.914	.342		5.600	.000
Store Image	.255	.049	.245	5.156	.000
Price Deal	.223	.043	.217	5.139	.000
Distribution Intensity	.179	.051	.172	3.522	.000
Advertising Spending	-.083	.034	-.102	-2.472	.014

Panel C: Price Insensitivity

R^2 = .053	Adjusted R^2 = .049	Standard Error =2.04160		F = 13.797	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	2.089	.415		5.033	.000
Price Deal	.238	.058	.181	4.087	.000
Store Image	.156	.059	.117	2.648	.008

Panel D: Purchase Intention

R^2 = .183	Adjusted R^2 = .176	Standard Error =1.50379		F = 27.695	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	2.421	.447		5.422	.000
Price Deal	.314	.044	.301	7.102	.000
Store Image	.259	.045	.245	5.729	.000
Price	-.210	.077	-.119	-2.712	.007
Advertising Spending	.074	.036	.089	2.029	.043

The summary of multiple regression of marketing mix for customer loyalty is

shown in Table 47.

Table 47

Summary of Multiple Regression of Marketing Mix for Customer Loyalty Dimensions

Hypothesis	Dependent Variable	Adjusted R^2	Significant Predictors
H_1	Customer Loyalty	19 %	Price deal Store image Distribution intensity
H_{1a}	Word-of-Mouth	21%	Store Image Price Deal Distribution Intensity Advertising spending*
H_{1b}	Price Insensitivity	4.9%	Price deal Store image
H_{1c}	Purchase Intention	17.9%	Price deal Store image Price* Advertising Spending

Note. *indicates inverse (-) relationship to the loyalty dimension

First, 19.0% of the variance of customer loyalty was accounted for price deal,

store image, and distribution intensity in combination.   Second, 21% of the variance

of word-of-mouth communication was determined by store image, price deal, distribution intensity, and advertising spending in combination. Third, 4.9 % of the variance of price insensitivity was predicted by the combination of price deal and store image. Fourth, 17.6% of the variance of purchase intention was determined by the combination of price deal, store image, price, and advertising spending.

A summary of significant predictors of marketing mix for customer loyalty dimensions is presented in Table 48. Of the five marketing mix variables, price deals and store image were the most important and positive factors to shoppers' loyalty, word-of-mouth communications, price insensitivity, and purchase intentions. Distribution intensity was a positive factor to customer loyalty and word-of-mouth communication. Price reasonably inversed influenced shopper's purchase intention

Table 48

Significant Predictors Summary of Marketing Mix for Customer Loyalty Dimensions

Construct	Significant Predictors	CL (H_1)	WOM (H_{1a})	PI (H_{1b})	PU (H_{1c})
Marketing Mix	Price Deal	x	x	x	x
	Store Image	x	x	x	x
	Distribution Intensity	x	x		
	Price				x*
	Advertising Spending		x*		x

Note. *indicates inverse (-) relationship to the loyalty dimension
CL: customer loyalty;   WOM: word-of-mouth communication;
PI: price insensitivity;   PU: purchase intention

because the lower store price, the higher shoppers' purchase intentions.   Advertising

spending had a direct influence for purchase intention, but an inverse influence for

word-of-mouth communication.

Research Hypothesis 2

For the H_2, as shown in Table 49, Panel A, ANOVA F-test presents the results

for only perceived quality significantly ($p<.001$) predicted customer loyalty and

explained 21.7% of the variance.   Perceived quality had a direct relationship with

customer loyalty with the standard beta coefficient of .467.   Thus, H_2 was partially

supported.

For the H_{2a}, as shown in Table 49, Panel B, ANOVA F-test presents the results

for only perceived quality significantly ($p<.001$) predicted customer loyalty and

explained 21.1% of the variance.   Meanwhile, perceived quality had a direct

relationship ($\beta=.461$) with word-of-mouth communication.   Thus, H_2 was partially

supported.

For the H_{2b}, as shown in Table 49, Panel C, ANOVA F-test presents the

results for only perceived quality significantly ($p<.001$) predicted price insensitivity

and explained 6.4% of the variance.   Meanwhile, perceived quality had a direct

relationship ($\beta=.256$) with price insensitivity.   Thus, H_{2b} was partially supported.

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Table 49

Multiple Regression Coefficients of Perceived Value Variables for Customer Loyalty

(H₂, H₂ₐ, H₂ᵦ, H₂ᵧ)

Panel A: Customer Loyalty

$R^2 = .218$	Adjusted $R^2 = .217$		Standard Error = 1.25364		$F = 139.131$	Sig.(p)= .000
Variable	B	SE	β		t	Sig.(p)
(Constant)	1.937	.234			8.293	.000
Perceived Quality	.465	.039	.467		11.795	.000

Panel B: Word-of-Mouth Communication

$R^2 = .212$	Adjusted $R^2 = .211$		Standard Error = 1.45050		$F = 134.139$	Sig.(p)= .000
Variable	B	SE	β		t	Sig.(p)
(Constant)	2.013	.270			7.450	.000
Perceived Quality	.528	.046	.461		11.582	.000

Panel C: Price Insensitivity

$R^2 = .066$	Adjusted $R^2 = .064$		Standard Error = 2.02532		$F = 35.065$	Sig.(p)= .000
Variable	B	SE	β		t	Sig.(p)
(Constant)	1.925	.377			5.101	.000
Perceived Quality	.377	.064	.256		5.922	.000

Panel D: Purchase Intention

$R^2 = .177$	Adjusted $R^2 = .175$		Standard Error = 1.50467		$F = 107.065$	Sig.(p)= .000
Variable	B	SE	β		t	Sig.(p)
(Constant)	1.873	.280			6.681	.000
Perceived Quality	.489	.047	.421		10.347	.000

For the H_{2c}, as shown in Table 49, Panel D, ANOVA F-test presents the results for only perceived quality significantly ($p<.001$) predicted price insensitivity and explained 17.5% of the variance. Meanwhile, perceived quality had a direct relationship ($\beta=.421$) with price insensitivity. Thus, H_{2c} was partially supported.

In summary, customer perceived value measurement included perceived quality and sacrifice variable. However, only customer perceived value had a significant and positive relationship for customer loyalty, word-of-mouth communication, price insensitivity, and purchase intentions. Thus, the results partially supported H_2, H_{2a}, H_{2b}, and H_{2c}.

Research Hypothesis 3

For the H_3, as shown in Table 50, Panel A, ANOVA F-test presents the results for the combination of the marketing mix elements (price deal and price) and perceived value (perceived quality) significantly ($p<.001$) predicted customer loyalty and explained 26.5% of the variance. The strength order with customer loyalty is perceived quality ($\beta=.422$, $p<.001$), price deal ($\beta=.211$, $p<.001$), and price ($\beta=-.098$, $p<.05$). Furthermore, the relationship with customer loyalty was direct for perceived quality and price deal as well as inversed for price. Thus, H_3 was partially supported.

For the H_{3a}, as shown in Table 50, Panel B, ANOVA F-test presents the results for the combination of marketing mix elements (price deal, advertising spending, and distribution intensity) and perceived quality variable (perceived quality) significantly ($p<.001$) predicted word-of-mouth communication and explained 25.7% of the variance. The order of strength relationship was perceived quality ($\beta=.356, p<.001$), price deal ($\beta=.158, p<.001$), advertising spending ($\beta=-.142, p<.001$), and distribution intensity ($\beta=.140, p<.01$). Furthermore, the relationship with word-of-mouth is direct for perceived quality, price deal and distribution intensity as well as inversed for advertising spending. Thus, H_{3a} was partially supported.

For the H_{3b}, as shown in Table 50, Panel C, ANOVA F-test presents the results for the combination of marketing mix elements (price deal and advertising spending) and perceived value variable (perceived quality) significantly ($p<.001$) predicted price insensitivity and explained 8.3% of the variance. The order of strength relationship was perceived quality ($\beta=.221, p<.001$), price deal ($\beta=.147, p<.01$), and advertising spending ($\beta=-.088, p<.05$). Furthermore, the relationship with price insensitivity was direct for perceived quality and price deal as well as inversed for advertising spending. Thus, H_{3b} was partially supported.

For the H_{3c}, as shown in Table 50, Panel D, ANOVA F-test presents the results for the combination of marketing mix elements (price deal and price) and

Table 50

Multiple Regression Coefficients of Marketing Mix and Perceived Value Variables for

Customer Loyalty (H₃, H₃ₐ, H₃ᵦ, H₃꜀)

Panel A: Customer Loyalty

$R^2 = .269$	Adjusted $R^2 = .265$		Standard Error = 1.21464	F = 60.901	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	2.099	.356		5.902	.000
Perceived Quality	.420	.041	.422	10.157	.000
Price Deal	.188	.036	.211	5.196	.000
Price	-.148	.059	-.098	-2.484	.013

Panel B: Word-of-Mouth Communication

$R^2 = .263$	Adjusted $R^2 = .257$		Standard Error =1.40757	F = 44.071	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	1.721	.322		5.338	.000
Perceived Quality	.407	.053	.356	7.693	.000
Price Deal	.162	.043	.158	3.777	.000
Advertising Spending	-.116	.032	-.142	-3.574	.000
Distribution Intensity	.145	.047	.140	3.062	.002

Panel C: Price Insensitivity

$R^2 = .088$	Adjusted $R^2 = .083$		Standard Error =2.00491	F = 15.990	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	1.829	.436		4.200	.000
Perceived Quality	.324	.067	.221	4.868	.000
Price Deal	.194	.061	.147	3.192	.002
Advertising Spending	-.092	.046	-.088	-1.993	.047

Panel D: Purchase Intention

$R^2 = .244$	Adjusted $R^2 = .240$		Standard Error =1.44460	F = 53.477	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	2.154	.423		5.093	.000
Perceived Quality	.432	.049	.372	8.792	.000
Price Deal	.249	.043	.239	5.794	.000
Price	-.211	.071	-.120	-2.990	.003

perceived value variable (perceived quality) significantly ($p<.001$) predicted purchase

intention and explained 24% of the variance.   The order of strength relationship was

perceived quality ($\beta=.372$, $p<.001$), price deal ($\beta=.239$, $p<.001$), and price ($\beta=-.120$,

$p<.01$).   Furthermore, the relationship with purchase intention was direct for

perceived quality and price deal, while was inversed for price.   Thus, H_{3b} was

partially supported.

The summary of multiple regression of marketing mix and perceived value for

customer loyalty is shown in Table 51.   First, 26.5% of the variance of customer

loyalty was accounted for perceived quality, price deal, and price.   Second, 25.7% of

the variance of word-of-mouth communication was determined by perceived quality,

price deal, advertising spending, and distribution intensity.   Third, 8.3 % of the

variance of price insensitivity was predicted by the combination of perceived quality,

price deal, and advertising spending.   Fourth, 24% of the variance of purchase

intention was determined by the combination of perceived quality, price deal, and

price.

Table 51

Summary of Multiple Regression of Marketing Mix and Perceived Value Variables for

Customer Loyalty Dimensions

Hypothesis	Dependent Variable	Adjusted R^2	Significant Predictors
H_3	Customer Loyalty	26.5 %	Perceived Quality
			Price Deal
			Price*
H_{3a}	Word-of-Mouth	25.7%	Perceived Quality
			Price Deal
			Advertising spending*
			Distribution Intensity
H_{3b}	Price Insensitivity	8.3%	Perceived Quality
			Price Deal
			Advertising Spending*
H_{3c}	Purchase Intention	24%	Perceived Quality
			Price Deal
			Price*

Note. *indicates inverse (-) relationship to the loyalty dimension

A summary of significant predictors of marketing mix and perceived value for

customer loyalty dimensions is presented in Table 52.   First, customer perceived

quality, one of the perceived value variables and price deal, one of the marketing mix

variables directly influenced all the dependent variables of customer loyalty,

word-of-mouth communication, price insensitivity, and purchase intention.   Second,

distribution intensity was a significant factor for word-of-mouth communication.

Price had an inverse relationship with customer loyalty and purchase intention.

Advertising spending was an inverse factor for word-of-mouth communication and

price insensitivity. Thus, the results partially supported H_3, H_{3a}, H_{3b}, and H_{3c}.

Table 52

Significant Predictors Summary of Marketing Mix and Perceived Value Variables for

Customer Loyalty Dimensions

Construct	Significant Predictors	CL (H$_1$)	WOM (H$_{1a}$)	PI (H$_{1b}$)	PU (H$_{1c}$)
Marketing Mix	Price Deal	x	x	x	x
	Distribution Intensity		x		
	Price	x*			x*
	Advertising Spending		x*	x*	
Perceived Value	Perceived Quality	x	x	x	x

Note. *indicates inverse (-) relationship to the loyalty dimension

CL: customer loyalty;   WOM: word-of-mouth communication;

PI: price insensitivity;   PU: purchase intention

Research Hypothesis 4

For the H_4, as shown in Table 53, Panel A, ANOVA F-test presents the results for the

combination of marketing mix element (price deal), perceived value element

(perceived quality), and relationship quality elements (trust and commitment)

significantly ($p<.001$) predicted customer loyalty and explained 38.3% of the

variance.

Table 53

Multiple Regression Coefficients of Marketing Mix, Perceived Value, and

Relationship Quality Variables for Customer Loyalty (H_4, H_{4a}, H_{4b}, H_{4c})

Panel A: Customer Loyalty

$R^2 = .388$	Adjusted $R^2 = .383$	Standard Error = 1.11227		F = 78.596	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	.213	.255		.834	.405
Trust	.309	.042	.334	7.375	.000
Commitment	.195	.028	.245	6.952	.000
Price Deal	.156	.033	.175	4.690	.000
Perceived Quality	.191	.046	.193	4.164	.000

Panel B: Word-of-Mouth Communication

$R^2 = .378$	Adjusted $R^2 = .371$	Standard Error =1.29523		F = 49.964	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	.638	.335		1.906	.057
Trust	.457	.049	.429	9.283	.000
Price Deal	.127	.040	.124	3.198	.001
Perceived Quality	.129	.057	.112	2.256	.025
Advertising Spending	-.090	.030	-.111	-3.005	.003
Distribution Intensity	.100	.044	.096	2.264	.024
Commitment	.074	.033	.080	2.230	.026

Table 53 (Continued)

Multiple Regression Coefficients of Marketing Mix, Perceived Value, and

Relationship Quality Variables for Customer Loyalty (H_4, H_{4a}, H_{4b}, H_{4c})

Panel C: Price Insensitivity

$R^2 = .149$	Adjusted $R^2 = .142$	Standard Error =1.93858	F = 21.708	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	.208	.444		.469	.640
Commitment	.289	.049	.245	5.893	.000
Perceived Quality	.208	.080	.142	2.599	.010
Price Deal	.135	.058	.102	2.330	.020
Trust	.159	.073	.117	2.181	.030

Panel D: Purchase Intention

$R^2 = .339$	Adjusted $R^2 = .332$	Standard Error =1.35435	F = 50.568	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	-.243	.319		-.761	.447
Trust	.219	.057	.202	3.826	.000
Commitment	.218	.034	.234	6.383	.000
Price Deal	.199	.041	.190	4.831	.000
Perceived Quality	.193	.056	.166	3.439	.001
Customer Satisfaction	.138	.051	.127	2.702	.007

The strength order with customer loyalty was trust (β=.334, p<.001), commitment

(β=.245, p<.001), perceived quality (β=.193, p<.001), price deal (β=.175, p<.05).

Furthermore, all the significant predictors of price deal, perceived quality, trust, and

commitment had a direct relationship with customer loyalty.   Thus, H$_4$ was partially

supported.

For the H$_{4a}$, as shown in Table 53, Panel B, ANOVA F-test presents the results

for the combination of marketing mix elements (price deal, advertising spending, and

distribution intensity) and perceived value element (perceived quality), and

relationship quality variables (trust and commitment) significantly ($p<.001$) predicted

word-of-mouth communication and explained 37.1% of the variance.   The order of

strength relationship was trust ($\beta=.429$, $p<.001$), price deal ($\beta=.124$, $p<.01$), perceived

quality($\beta=.112$, $p<.05$), advertising spending ($\beta=-.111$, $p<.01$), distribution intensity

($\beta=.096$, $p<.05$), and commitment ($\beta=.080$, $p<.05$).   Furthermore, the relationship

with word-of-mouth was direct for price deal, distribution intensity, perceived quality,

trust and commitment, while inversed for advertising spending.   Thus, H$_{4a}$ was

partially supported.

For the H$_{4b}$, as shown in Table 53, Panel C, ANOVA F-test presents the

results for the combination of marketing mix element (price deal), and perceived

value variable (perceived quality) and relationship quality variables (trust and

commitment) significantly ($p<.001$) predicted price insensitivity and explained 14.2%

of the variance.   The order of strength relationship was commitment ($\beta=.245$,

$p<.001$), perceived quality ($\beta=.142$, $p<.05$), trust ($\beta=.117$, $p<.05$), and price deal

(β=.102, p<.05).   Furthermore, all the significant predictors of price deal, perceived

quality, trust and commitment had a direct relationship with price insensitivity.   Thus,

H_{4b} was partially supported.

For the H_{4c}, as shown in Table 50, Panel D, ANOVA F-test presents the

results for the combination of marketing mix element (price deal), perceived value

variable (perceived quality), and relationship quality variables (customer satisfaction,

trust and commitment) significantly (p<.001) predicted and explained 33.2% of the

variance.   The order of strength relationship was commitment (β=.234, p<.001), trust

(β=.202, p<.001), price deal (β=.190, p<.001), perceived quality (β=.166, p<.01), and

customer satisfaction (β=.127, p<.01).   Furthermore, all the significant predictors of

price deal, perceived quality, customer satisfaction, trust and commitment had a direct

relationship with price insensitivity.   Thus, H_{4c} was partially supported.

Hypotheses H_4, H_{4a}, H_{4b}, and H_{4c} were tested to answer the research question

to determine any differences in the influences of marketing mix, customer perceived

value, relationship quality on customer loyalty, word-of-mouth communication, price

insensitivity, and purchase intention, respectively.

The summary of multiple regression of marketing mix for customer loyalty is

shown in Table 54.   First, 38.3% of the variance of customer loyalty was accounted

Table 54

Summary of Multiple Regression of Marketing Mix, Perceived Value, and

Relationship Quality Variables for Customer Loyalty Dimensions

Hypothesis	Dependent Variable	Adjusted R^2	Significant Predictors
H_4	Customer Loyalty	38.3 %	Trust
			Commitment
			Price Deal
			Perceived Quality
H_{4a}	Word-of-Mouth	37.1%	Trust
			Price Deal
			Perceived Quality
			Advertising Spending*
			Commitment
			Distribution Intensity
H_{4b}	Price Insensitivity	14.2%	Commitment
			Perceived Quality
			Price Deal
			Trust
H_{4c}	Purchase Intention	33.2%	Trust
			Commitment
			Price Deal
			Perceived Quality
			Customer Satisfaction

Note. *indicates inverse (-) relationship to the loyalty dimension

for price deal, perceived quality, trust and commitment in combination.   Second,

37.1% of the variance of word-of-mouth communication was determined by

distribution intensity, advertising spending, price deal, perceived quality, trust, and

commitment in combination.   Third, 14.2 % of the variance of price insensitivity was

predicted by the combination of price deal, perceived quality, trust, and commitment.

Fourth, 33.2% of the variance of purchase intention was determined by the

combination of price deal, perceived quality, customer satisfaction, trust and

commitment.

A summary of significant predictors of marketing mix, perceived value, and

relationship quality for customer loyalty dimensions is presented in Table 55.   First,

relationship quality elements of trust and commitment had a strong and positive

influence for all the dependent variables of customer loyalty, word-of-mouth

communication, price insensitivity, and purchase intention.   Furthermore, customer

satisfaction, a third relationship quality variable, was important for purchase intention.

Second, perceived quality variable of perceived value construct was an influence for

all the dependent variables of customer loyalty, word-of-mouth communication, price

insensitivity, and purchase intention.   Third, for marketing mix elements, advertising

spending had an inverse relationship as well as distribution intensity had a direct

relationship with word-of-mouth communication.   Price deal positively influenced

all the dependent variables of customer loyalty, word-of-mouth communication, price

insensitivity, and purchase intention.

Table 55

Significant Predictors Summary of Marketing Mix, Perceived Quality, and

Relationship Quality for Customer Loyalty Dimensions

Construct	Significant Predictors	CL (H_4)	WOM (H_{4a})	PI (H_{4b})	PU (H_{4c})
Marketing Mix	Price Deal	x	x	x	x
	Advertising Spending		x*		
	Distribution Intensity		x		
Perceived Value	Perceived Quality	x	x	x	x
Relationship Quality	Customer Satisfaction				x
	Trust	x	x	x	x
	Commitment	x	x	x	x

Note. *indicates inverse (-) relationship to the loyalty dimension

CL: customer loyalty;   WOM: word-of-mouth communication;

PI: price insensitivity;   PU: purchase intention

Multiple Regression for Five Types of Retail Stores

To further explore the influences of customer loyalty for five different types of

retail stores (convenience, supermarket, hypermarket, warehouse club, and

department store), multiple regression (forward method) was used.   Regression

equations for independent variables of 12-items of shoppers' characteristics (gender,

age, gender, age, marital status, educational level, number of people in the household,

number of people employed in the household, occupation, shoppers' personal monthly

income, household monthly income, store spending per visit, shopping frequency,

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switching stores), five retail marketing mix elements (price, store image, distribution

intensity, advertising spending, price deals), two customer perceived value elements

(perceived quality and sacrifice), and three relationship quality elements (satisfaction,

trust, commitment) and the dependent variables of customer loyalty, word-of-mouth

communication, price insensitivity, and purchase intention were used with the

significant level at the .05 criteria.   Customer loyalty was measured by

word-of-mouth communication, price insensitivity, and purchase intentions.

Furthermore, this study combined these measures (unweighted) to include customer

loyalty.

Regarding the customer loyalty, 7-Eleven shoppers' customer satisfaction,

number of employed household members, and distribution intensity had positive,

significant influences, and explained 25% of the variance (See Table 56, Panel A).

Wellcome shoppers' perceived quality, commitment, and trust had a significant

relationship to customer loyalty, and explained 34% of the variance (See Table 56,

Panel B).   For Carrefour shoppers, trust, commitment, and price deal had positive,

significant influences, and explained 34% of the variance in customer loyalty (See

Table 56, Panel C).   Costco Warehouse Club shoppers' trust, advertising spending,

and price deals had a significant relationship on customer loyalty, and explained

54.3% of the variance (See Table 56, Panel D).   For Hanshin Department Store,

Table 56

Regression Models of Customer Loyalty for Five Retail Stores

Panel A: 7-Eleven Convenience Store

$R^2 = .273$	Adjusted $R^2 = .250$	Standard Error = 1.13127		$F = 12.013$	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	1.215	.630		1.929	.057
Customer Satisfaction	.270	.088	.297	3.076	.003
People employed in the household	.420	.120	.305	3.487	.001
Distribution Intensity	.182	.085	.208	2.146	.034

Panel B: Wellcome Supermarket

$R^2 = .360$	Adjusted $R^2 = .340$	Standard Error =.99224		$F = 18.000$	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	.338	.530		.638	.525
Perceived quality	.303	.109	.298	2.786	.006
Commitment	.253	.066	.317	3.806	.000
Trust	.243	.089	.295	2.732	.007

Panel C: Carrefour Hypermarket

$R^2 = .360$	Adjusted $R^2 = .340$	Standard Error =1.10679		$F = 18.027$	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	-.369	.655		-.563	.575
Trust	.311	.085	.306	3.643	.000
Commitment	.300	.066	.372	4.533	.000
Price Deal	.335	.094	.299	3.566	.001

Table 56 (Continued)

Regression Models of Customer Loyalty for Five Retail Stores

Panel D: Costco Warehouse Club

$R^2 = .557$	Adjusted $R^2 = .543$		Standard Error =1.01660		F = 40.222	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	.094	.495		.191	.849
Trust	.597	.070	.643	8.536	.000
Advertising Spending	.189	.066	.205	2.850	.005
Price Deal	.140	.064	.170	2.200	.030

Panel E: Hanshin Department Store

$R^2 = .436$	Adjusted $R^2 = .412$		Standard Error =1.07041		F = 18.336	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	1.739	.505		3.440	.001
Trust	.326	.078	.357	4.179	.000
Shopping Frequency	.369	.080	.368	4.582	.000
Switching Stores	-.243	.071	-.277	-3.410	.001
Price Deal	.219	.072	.250	3.062	.003

the customer loyalty multiple regression equation found significant, positive

relationship with shopping frequency and price deal as well as inverse relationship

with switching store behavior (See Table 56, Panel E).

Regarding the shoppers' word-of-mouth communication, first, trust, and

distribution intensity were significant and positive predictors, while personal monthly

income was a negative predictor for 7-Eleven customers, and explained 21.5% of the

variance (See Table 57, Panel A).   Second, Wellcome Supermarket shoppers' trust,

customer satisfaction, commitment, and store spending per visit had a significant and

direct relationship with word-of-mouth communication, while sacrifice had an inverse

relationship with word-of-mouth communication, and explained 44.5% of the

variance (See Table 57, Panel B).   Third, trust, price deal, commitment, and

Table 57

Regression Models of Word-Of-Mouth Communication for Five Retail Stores

Panel A: 7-Eleven Convenience Store

$R^2 = .239$	Adjusted $R^2 = .215$	Standard Error = 1.30879		$F = 12.013$	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	2.051	.763		2.689	.008
Trust	.354	.103	.322	3.445	.001
Personal Monthly Income	-.137	.055	-.220	-2.471	.015
Distribution Intensity	.204	.092	.206	2.205	.030

Panel B: Wellcome Supermarket

$R^2 = .473$	Adjusted $R^2 = .445$	Standard Error =1.01863		$F = 16.874$	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	1.168	.713		1.639	.105
Trust	.282	.091	.306	3.098	.003
Customer Satisfaction	.294	.080	.355	3.681	.000
Commitment	.217	.068	.242	3.196	.002
Sacrifice	-.247	.091	-.210	-2.715	.008
Store Spending per Visit	.183	.070	.197	2.609	.011

Table 57 (continued)

Regression Models of Word-Of-Mouth Communication for Five Retail Stores

Panel C: Carrefour Hypermarket

$R^2 = .357$	Adjusted $R^2 = .330$	Standard Error =1.19808		$F = 13.194$	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	-1.501	-.931		-1.613	.110
Trust	.385	.093	.352	4.135	.000
Price Deal	.392	.102	.327	3.838	.000
Commitment	.213	.073	.246	2.911	.004
Education Level	.289	.144	.169	1.993	.049

Panel D: Costco Warehouse Club

$R^2 = .616$	Adjusted $R^2 = .608$	Standard Error =1.06636		$F = 77.651$	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	.445	.457		.974	.332
Trust	.748	.072	.711	10.440	.000
Price Deal	.147	.063	.158	2.314	.023

Panel E: Hanshin Department Store

$R^2 = .200$	Adjusted $R^2 = .192$	Standard Error =1.51012		$F = 24.550$	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	2.281	.617		3.696	.000
Trust	.492	.099	.448	4.955	.000

education level significantly influenced Carrefour Hypermarket shoppers'

word-of-mouth communication with 33% of the variance (See Table 57, Panel C).

Fourth, for Costco Warehouse Club shoppers, trust and price deals were significant

and positive predictors, and explained 60.8% of the variance in word-of-mouth

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communication (See Table 57, Panel D).   Fifth, for Hanshin department store

shoppers, trust had a significant and positive relationship with an adjusted R^2 of .192,

meaning that 19.2% of the variance in word-of-mouth communication was

determined by trust (See Table 57, Panel E).

Regarding price insensitivity, first, 7-Eleven shoppers' customer satisfaction

and people employed in the household had a significant relationship for price

insensitivity with an adjusted R2 of .127 (See Table 58, Panel A).   Second, price

deal, commitment, and marital status had significant and positive relationship, while

number of people in the household had an inverse relationship for Wellcome

Supermarket shoppers with an explained variance of 18.4% (See Table 58, Panel B).

Third, Carrefour Hypermarket shoppers' commitment, and price deals had significant,

positive relationships, while advertising spending had an inverse influence for price

insensitivity with an explained variance of 18.6% (See Table 58, Panel C).   Fourth,

Costco Warehouse Club shoppers' trust and advertising spending had a significant

relationship with price insensitivity with an explained variance of 16.4% (See Table

58, Panel D).   Fifth, Hanshin Department Store shoppers' shopping frequency, price

deals, commitment, and store spending significantly and positively influenced price

insensitivity, while switching stores (shopped at competitors) had an inverse influence

for price insensitivity with an explained variance of 28.8% (see Table 58, Panel E).

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Table 58

Regression Models of Price Insensitivity for Five Retail Stores

Panel A: 7-Eleven Convenience Store

$R^2 = .144$	Adjusted $R^2 = .127$		Standard Error = 1.96839	F =8.172	Sig.(p)= .001
Variable	B	SE	β	t	Sig.(p)
(Constant)	.635	.926		.68	.494
Customer Satisfaction	.421	.138	.288	3.060	.003
People employed in the household	.530	.208	.239	2.542	.013

Panel B: Wellcome Supermarket

$R^2 = .217$	Adjusted $R^2 = .184$		Standard Error =1.57391	F = 6.583	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	2.147	1.126		1.908	.059
Price Deal	.363	.120	.284	3.024	.003
Commitment	.255	.105	.224	2.416	.018
People in the household	-.482	.216	-.205	-2.238	.028
Marital Status	.610	.284	.198	2.149	.034

Panel C: Carrefour Hypermarket

$R^2 = .211$	Adjusted $R^2 = .186$		Standard Error =1.78098	F = 8.543	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	1.196	.998		1.199	.233
Commitment	.362	.108	.310	3.358	.001
Price Deal	.485	.154	.300	3.145	.002
Advertising Spending	-.243	.102	-.230	-2.375	.020

Panel D: Costco Warehouse Club

$R^2 = .181$	Adjusted $R^2 = .164$		Standard Error =2.08500	F = 10.705	Sig.(p)= .000
Variable	B	SE	β	t	Sig.(p)
(Constant)	.310	1.010		.307	.760
Trust	.501	.130	.355	3.847	.000
Advertising Spending	.382	.129	.273	2.953	.004

Table 58 (Continued)

Regression Models of Price Insensitivity for Five Retail Stores

Panel E: Hanshin Department Store

$R^2 = .324$	Adjusted $R^2 = .288$	Standard Error $= 1.81095$	$F = 9.021$	Sig.(p)$= .000$

Variable	B	SE	β	t	Sig.(p)
(Constant)	.719	.910		.790	.432
Shopping Frequency Last Month	.536	.139	.348	3.849	.000
Switching Stores Last Year	-.348	.121	-.258	-2.876	.005
Price Deals	.321	.116	.238	2.765	.007
Commitment	.231	.102	.200	2.260	.026
Store Spending per Visit	.176	.083	.188	2.116	.037

Five types of retail stores were tested as to the influences on purchase

intention (See Table 59). First, commitment, satisfaction, people employed in the

household, and price deals for 7-Eleven shoppers have significant and positive

relationships with purchase intention, and explained 24.3% of the variance (See Table

59, Panel A). Second, Wellcome Supermarket shoppers' perceived quality, store

spending per visit, commitment, and trust had significant, positive relationships, while

education level had an inverse influence for purchase intention with an explained

variance of 49.3% (See Table 59, Panel B).

Table 59

Regression Models of Purchase Intention for Five Retail Stores

Panel A: 7-Eleven Convenience Store

$R^2 = .273$	Adjusted $R^2 = .243$	Standard Error = 1.38532	F =8.938	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	.989	.771		1.282	.203
Commitment	.291	.083	.313	3.515	.001
Customer Satisfaction	.211	.099	.191	2.130	.036
People Employed in the Household	.400	.154	.239	2.600	.011
Price Deals	.222	.091	.226	2.448	.016

Panel B: Wellcome Supermarket

$R^2 = .519$	Adjusted $R^2 = .493$	Standard Error =1.02937	F = 20.260	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	-.159	.865		-.184	.854
Perceived Quality	.423	.113	.351	3.746	.000
Store Spending per visit	.306	.070	.312	4.345	.000
Education Level	-.291	.126	-.178	-2.314	.023
Commitment	.239	.072	.253	3.301	.001
Trust	.240	.095	.247	2.544	.013

Panel C: Carrefour Hypermarket

$R^2 = .321$	Adjusted $R^2 = .300$	Standard Error =1.33953	F = 15.156	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	-.633	.803		-.789	.432
Customer Satisfaction	.441	.109	.353	4.033	.000
Commitment	.309	.080	.326	3.878	.000
Perceived Quality	.277	.119	.204	2.323	.022

Table 59 (continued)

Regression Models of Purchase Intention for Five Retail Stores

Panel D: Costco Warehouse Club

$R^2 = .486$	Adjusted $R^2 = .475$	Standard Error =1.28311		F = 45.786	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	.037	.550		.068	.946
Trust	.482	.086	.431	5.471	.000
Price Deal	.395	.076	.408	5.174	.000

Panel E: Hanshin Department Store

$R^2 = .40.7$	Adjusted $R^2 = .36.9$	Standard Error =1.35036		F = 10.649	Sig.(p)= .000

Variable	B	SE	β	t	Sig.(p)
(Constant)	.999	.771		1.282	.203
Commitment	.291	.083	.313	3.515	.001
Customer Satisfaction	.211	.099	.191	2.130	.036
People Employed in the Household	.400	.154	.239	2.600	.011
Price Deal	.222	.091	.226	2.448	.016

Third, customer satisfaction, commitment, and perceived quality for Carrefour

Hypermarket shoppers had significant and positive relationships with purchase

intention, and explained 30% of the variance (See Table 59, Panel C).   Fourth, trust

and price deals significantly and positively influenced Costco Warehouse Club

shoppers' purchase intention, with an explained variance of 47.5% (See Table 59,

Panel D).   Fifth, Hanshin Department Store shoppers' commitment, customer

satisfaction, numbers of people employed in the household, and price deal had

significant and positive relationship for purchase intention, and explained 36.9% of

the variance (See Table 59, Panel E).

A summary of the regression equations for the five types of retail stores

(7-Eleven convenience store, Wellcome Supermarket, Carrefour Hypermarket, Costco

Warehouse Club, and Hanshin Department Store) is presented in Table 60.   First,

trust was a significant, positive influence for customer loyalty of Wellcome, Carrefour,

Costco, and Hanshin shoppers.   Furthermore, a second relationship quality variable,

commitment, was important for Wellcome and Carrefour shoppers.   Customer

satisfaction, a third relationship quality variable, was important for 7-Eleven shoppers.

Perceived value (perceived quality) was a loyalty influence for 7-Eleven shoppers.

While marketing mix elements were not a significant factor for Wellcome shoppers.

Price deal had a direct influence for Carrefour, Costco, and Hanshin shoppers.

Advertising spending directly influence Costco shoppers' loyalty.   Distribution

intensity had a direct influence for 7-Eleven shoppers.   Three shopping behavioral

characteristics were factors for 7-Eleven and Hanshin shoppers' loyalty.   Number of

people employed in the household had a direct influence for 7-Eleven shoppers.

Shopping frequency had a direct relationship as well as switching store had an inverse

influence for Hanshin shoppers' loyalty (See Table 60, Panel A).

Table 60

Summary of Regression Models for Five Retail Stores

Panel A: Customer Loyalty

Store Type	1	2	3	4	5
Adjusted R2	25%	34%	34%	54%	41%
No. of people employed in the household	x				
Shopping Frequency					x
Switching Store					x*
Distribution Intensity	x				
Price Deal			x	x	x
Advertising Spending				x	
Perceived Quality		x			
Customer Satisfaction	x				
Trust		x	x	x	x
Commitment		x	x		

Panel B: Word-of-Mouth Communication

Store Type	1	2	3	4	5
Adjusted R2	21.5%	44.5%	33%	60.8%	19.2%
Personal Monthly Income	x*				
Store Spending per Visit		x			
Education Level			x		
Distribution Intensity	x				
Price Deal			x	x	
Sacrifice		x*			
Customer Satisfaction		x			
Trust	x	x	x	x	x
Commitment		x	x		

Table 60 (Continued)

Summary of Regression Models for Five Retail Stores

Panel C: Price Insensitivity					
Store Type	1	2	3	4	5
Adjusted R2	21.5%	44.5%	33%	60.8%	19.2%
No. of People employed in the Household	x				
No. of People Live in the Household		x			
Marital Status		x			
Shopping Frequency					x
Switching Store					x*
Store Spending per Visit					x
Price Deal		x	x		x
Advertising Spending			x*	x	
Customer Satisfaction	x				
Trust				x	
Commitment		x	x		x

Panel D: Purchase Intention					
Store Type	1	2	3	4	5
Adjusted R2	24.3%	49.3%	30%	47.5%	36.9%
Number of People Employed in the Household	x				x
Store Spending per Visit		x*			
Education Level		x*			
Price Deal	x			x	x
Perceived Quality		x	x		
Customer Satisfaction	x		x		x
Trust		x		x	
Commitment	x	x	x		x

Note. *indicates inverse (-) relationship to the loyalty dimension
1: 7-Eleven convenience store; 2: Wellcome Supermarket;
3: Carrefour Hypermarket;   4: Costco Warehouse Club;
5: Hanshin Department Store

The regression equation of word-of-mouth communication for the five types

of retail stores was presented in Table 60, Panel B. First, trust was significant and

positive influence for word-of-mouth communication of all store types. Moreover,

commitment, a second relationship quality variable, was important for Wellcome and

Carrefour shoppers. The third relationship quality variable, customer satisfaction

had a direct influence for Wellcome shoppers. Second, sacrifice was an inverse

influence for Wellcome shoppers. For marketing elements, distribution intensity

was a direct influence for 7-Eleven shoppers. Price deals had a direct influence for

Carrefour and Costco shoppers. Fourth, store spending per visit and educational

level directly influenced Wellcome and Carrefour shoppers. Personal monthly

income had an inverse influence for 7-Eleven shoppers.

The regression equation of price insensitivity for the five types of retail stores

was shown in Table 60, Panel C. First, shopping behavioral characteristics were

factors for 7-Eleven, Wellcome, and Hanshin shoppers' price insensitivity. Number of

people employed in the household was a direct influence for 7-Eleven shoppers.

Number of people live in the household and Marital Status had a direct impact for

Wellcome shoppers. Shopping frequency and store spending per visit had a direct as

well as switching store had an inverse relationship with price insensitivity for Hanshin

stores. Second, marketing strategy elements of price deal was a significant and

direct factor for Wellcome, Carrefour and Hanshin shoppers' price insensitivity.

While adverting spending was an inverse influence for Wellcome shoppers.   Third,

Perceived value and relationship quality were not a significant factors to explain price

insensitivity.   Customer satisfaction, the only relationship quality variable had a

direct influence for 7-Eleven shoppers' price insensitivity.

The regression equation summary of purchase intention for the five retail

stores was presented in Table 60, Panel D.   First, commitment was a significant,

positive influence for purchase intention of 7-Eleven, Wellcome, Carrefour and

Hanshin.   Furthermore, a second relationship quality variable, customer satisfaction

was also an important influence for 7-Eleven, Carrefour, and Hanshin shoppers.

Trust, a third relationship quality variable was important for Wellcome and Costco

shoppers.   Second, perceived value (perceived quality) was a direct influence for

Wellcome and Carrefour shoppers.   Third, marketing mix elements were not

significant factors for all store types.   Price deal, the only one significant factor

among the marketing mix elements had a direct influence for 7-Eleven, Costco and

Hanshin stores.   Fourth, number of people employed in the household was a direct

influence for 7-Eleven and Hanshin shoppers.   Store spending per visit had a direct

impact as well as education level was an inverse influence on purchase intention for

Wellcome shoppers.

Summary of Findings

Based on the result of data analysis, three important findings are presented.

First is a summary of the findings of ANOVA with post hoc to identify the significant

differences of customer loyalty between five types of retail stores.   Second is a

summary of the findings of multiple regression to test four hypotheses and four

sub-hypotheses for each hypothesis and to answer the research question.   Third is a

summary of the findings of multiple regression for the five types of retail stores.

Summary of ANOVA with Post Hoc Test

The ANOVA with Post Hoc test firstly shows that Costco shoppers were more

loyal than Wellcome, Carrefour, and Hanshin shoppers.   They had greater

word-of-mouth communications than the other four store customers.   Moreover, they

were less price sensitivity than Wellcome, Carrefour, and Hanshin shoppers.   Also,

they had higher purchase intentions than Wellcome customers.   Secondly, 7-Eleven

shoppers were more loyal than Wellcome and Carrefour shoppers.   Furthermore,

they had greater word-of-mouth communications and higher purchase intentions than

Wellcome shoppers.   Lastly, Hanshin shoppers had greater word-of-mouth

communications than Wellcome and Carrefour customers (see Table 45).

Summary of Multiple Regression for Four Hypotheses

From the multiple regression analysis for hypothesis 1 (H_1, H_{1a} to H_{1c}), the

majority of the marketing mix variables were significant predictors of customer

loyalty.   Price deal and store image had a direct relationship with all the dependent

variables of customer loyalty, word-of-mouth communication, price insensitivity, and

purchase intention.   Distribution intensity had a direct relationship with customer

loyalty and word-of-mouth communication.   Advertising spending had a direct

relationship with purchase intention, while it had an inverse relationship with

word-of-mouth communication.   Price logically had an inverse relationship with

purchase intention.   The different combinations of marketing mix variables were

able to explain 19%, 21%, 4.9%, and 17.9% of the variance in customer loyalty,

word-of-mouth communication, price insensitivity, and purchase intention,

respectively (see Table 61, Panel A).

Table 61

Summary of Regression Models for Four Hypotheses

Panel A: Marketing Mix (Predictors)

	Dependent Variable	Explained Variance	MM				PV		RQ		
			PD	SI	DI	AS	PR	PQ	CS	TR	CO
H_1	CL	19%	x	x	x						
H_{1a}	WOM	21%	x	x	x	x*					
H_{1b}	PI	4.9%	x	x							
H_{1c}	PU	17.9%	x	x		x	x*				

Table 61 (Continued)

Summary of Regression Models for Four Hypotheses

Panel B: Customer Perceived Value (Predictors)

	Dependent Variable	Explained Variance	MM				PV		RQ	
			PD	SI	DI	AS	PR	PQ	CS	TR	CO
H_2	CL	21.7%						x			
H_{2a}	WOM	21.1%						x			
H_{2b}	PI	6.4%						x			
H_{2c}	PU	17.5%						x			

Panel C: Marketing Mix and Perceived Value (Predictors)

	Dependent Variable	Explained Variance	MM				PV		RQ	
			PD	SI	DI	AS	PR	PQ	CS	TR	CO
H_3	CL	26.5%	x				x*	x			
H_{3a}	WOM	25.7%	x		x	x*		x			
H_{3b}	PI	8.3%	x			x*		x			
H_{3c}	PU	24%	x				x*	x			

Panel D: Marketing Mix, Perceived Value and Relationship Quality (Predictors)

	Dependent Variable	Explained Variance	MM				PV		RQ	
			PD	SI	DI	AS	PR	PQ	CS	TR	CO
H_4	CL	38.3%	x					x		x	x
H_{4a}	WOM	37.1%	x		x	x*		x		x	x
H_{4b}	PI	14.2%	x					x		x	x
H_{4c}	PU	33.2%	x					x	x	x	x

Note. *indicates inverse (-) relationship to the loyalty dimension

MM: Marketing Mix; PV: Perceived value; RQ: Relationship quality

PD: price deal; SI: store image; DI: distribution intensity; AS: advertising spending

PR: price; PQ: perceived quality; CS: customer satisfaction; TR: trust

CO: commitment; CL: customer loyalty; WOM: word-of-mouth communication;

PI: price insensitivity; PU: Purchase Intention

For the hypothesis 2 (H_2, H_{2a} to H_{2c}), the results revealed that only customer

perceived quality had significant and direct relationship on customer loyalty,

word-of-mouth communication, price insensitivity, and purchase intentions with an

explained variance of 21.7%, 21.1%, 6.4%, and 17.5%, respectively.   Sacrifice, the

other variable of customer perceived value was not a significant factor for dependent

variables (see Table 61, Panel B).

For the hypothesis 3 (H_3, H_{3a} to H_{3c}), the result indicated that perceived value

variable (perceived quality) and the marketing mix variable (price deal) had a direct

relationship on all the dependent variables of customer loyalty, word-of-mouth

communication, price insensitivity, and purchase intention.   Distribution intensity

had a direct relationship with word-of-mouth communication.   Price inversely

influenced customer loyalty and purchase intention.   Surprisingly, advertising

spending inversely influenced word-of-mouth communication and price insensitivity.

The different combinations of the marketing mix variables and the perceived value

variables were able to explain 26.5%, 25.7%, 8.3%, and 24% of the variance in

customer loyalty, word-of-mouth communication, price insensitivity, and purchase

intention, respectively (see Table 61, Panel C).

For the hypothesis 4 (H_4, H_{4a} to H_{4c}), the result indicated that relationship

quality variables (trust and commitment) had a direct relationship with all the

dependent variables of customer loyalty, word-of-mouth communication, price

insensitivity, and purchase intention.   Furthermore, customer satisfaction, a third

relationship quality variable, was important for purchase intention.   Moreover, the

perceived value construct (perceived quality) and the marketing mix construct (price

deal) significantly influenced all the dependent variables of customer loyalty,

word-of-mouth communication, price insensitivity, and purchase intention.   For the

remaining of the marketing mix elements, advertising spending had an inverse

relationship, while distribution intensity had a direct relationship with word-of-mouth

communication.   The different combinations of the marketing mix variables,

perceive value variables, and relationship quality variables were able to explain

38.3%, 37.1%, 14.2%, and 33.2% of the variance in customer loyalty, word-of-mouth

communication, price insensitivity, and purchase intention, respectively (see Table 61,

Panel D).

Summary of Multiple Regression for Five Types of Retail Stores

For the regression equations for the five types of retail stores (7-Eleven

convenience store, Wellcome supermarket, Carrefour Hypermarket, Costco

warehouse club, and Hanshin department store), relationship quality variables were

important factors for shoppers' loyalty, word-of-mouth communication, price

insensitivity, and purchase intention.   First, customer satisfaction positively

influenced customer loyalty and price insensitivity for 7-Eleven shoppers.   Second,

trust positively (a) influenced customer loyalty for Carrefour and Hanshin shoppers,

(b) influenced word-of-mouth communication for 7-Eleven, Carrefour, and Hanshin

shoppers, (c) influenced price insensitivity for Costco shoppers, and (d) influenced

purchase intention for Carrefour shoppers.   Third, commitment positively influenced

price insensitivity for Wellcome, Carrefour, and Hanshin shoppers.   Fourth, the

combination of customer satisfaction and commitment positively influenced purchase

intention for 7-Eleven, Carrefour, and Hanshin shoppers.   Fifth, the combination of

trust and commitment positively (a) influenced customer loyalty for Wellcome and

Carrefour shoppers, (b) influenced word-of-mouth communications for Carrefour

shoppers, and (c) influenced purchase intentions for Wellcome shoppers.   Sixth, the

combination of customer satisfaction, trust, and commitment positively influenced

word-of-mouth communication for Wellcome shoppers.

Of the perceived value variables (perceived quality and sacrifice), only

perceived value was a significant and positive factor for Wellcome shoppers' loyalty

and purchase intention.   Of the marketing mix elements, price deal was the important

factor for (a) Carrefour, Costco, and Hanshin shoppers' loyalty, (b) Carrefour and

Costco shoppers' word-of-mouth communication, (c) Wellcome, Carrefour, and

Hanshin shoppers' price insensitivity, and (d) 7-Eleven, Costco, and Hanshin

shoppers' purchase intentions. Furthermore, distribution intensity was important for 7-Eleven shoppers' loyalty and word-of-mouth communication. Advertising spending had a direct relationship with Costco shoppers' loyalty and price insensitivity, but an inverse relationship with Carrefour shoppers' price insensitivity.

Of the shoppers' shopping characteristics, number of people employed in the household was an important factor for (a) 7-Eleven shoppers' customer loyalty, (b) 7-Eleven shoppers' price insensitivity, and (c) 7-Eleven and Hanshin shoppers' purchase intention. Personal monthly income was a negative factor for 7-Eleven shoppers. Number of people live in the household was a negative factor for Wellcome shoppers' price insensitivity. Marital status was a direct factor for Wellcome shoppers' price insensitivity. Shopping frequency was important for Hanshin shoppers' loyalty and price insensitivity. Switching stores was an inverse factor for Hanshin shoppers' loyalty and price insensitivity. Store spending per visit was a positive factor for (a) Wellcome shoppers' word-of-mouth communication, (b) Hanshin shoppers' price insensitivity, and (c) Wellcome shoppers' purchase intention. Education level was a positive influence on Carrefour shoppers' word-of-mouth communication, while a negative (inverse relationship) influence on Wellcome shoppers' purchase intention.

CHAPTER V

DISCUSSION

Building customer loyalty links with the success and profitability of a firm.

Academic researchers have been seeking to find what factors contribute to customer

loyalty. However, prior studies explored only one or two factors among the

marketing mix, perceived value, customer satisfaction, trust, and commitment to

create or increase customer loyalty. Furthermore, most of the studies have

concentrated only on intangible elements of relationship marketing. This study was

the first to combine theories of the marketing mix (elements of price, product, place,

and promotion), perceived value (perceived quality and sacrifice), relationship quality

(customer satisfaction, trust, and commitment) to examine their impact on customer

loyalty. Thus, the purpose of this non-experimental and correlational (explanatory)

study was to explain the different influences of the marketing mix, customer

perceived value, relationship quality on customer loyalty. Moreover, the study also

found that customers' loyalty perception were different among the five types of retail

stores (convenience store, supermarket, hypermarket, membership warehouse club,

and department store). Chapter V provides interpretations of research findings,

practical implications, conclusions, limitations, and ends with recommendations for future study opportunities.

Interpretations

Findings in this study were compared with prior theoretical and empirical research to provide possible insights. Based on the data analysis in Chapter IV, the compared findings, first, of the relationship between the marketing mix and customer loyalty will be presented. Second, the relationship between perceived value and customer loyalty will be discussed. Third, the combined relationship of the marketing mix and perceived will be presented to see how they explain customer loyalty . Lastly, all of the constructs of the marketing mix, customer perceived value, and relationship quality will be interpreted to explain customer loyalty in Taiwanese consumer goods retailing industry.

From hypothesis 1, the five marketing mix variables were important to customer loyalty (word-of-mouth communication, price insensitivity, and purchase intention). This was supported by prior findings (Cengiz & Yayla, 2007; Haelsig et al., 2007). This supported the proposition of McCarthy (1971) that all of the four Ps should be considered at the same time to achieve successful marketing strategies.

The product variable of store image had a significant and direct influence on customer loyalty which was supported by the prior studies (Eakuru &Mat, 2008; Yoo

et al., 2000). Price inversely influenced customer loyalty. This was not consistent

with the prior study (Yoo et al., 2000). A possible explanation for this finding may

be that retail store shoppers have high trust and commitment with the store. For

example, they strongly believe that the store would offer a great deal and help them

save money. The place variable of distribution intensity positively influenced

customer loyalty which was supported by the prior finding (Yoo et al., 2000). The

promotion variable of price deal had a direct relationship with customer loyalty.

However, it was not supported by the study of Yoo et al. (2000). A possible

explanation for this finding may be that the brands of consumer goods are almost the

same or similar at the five types of retail stores. Thus, based on the same quality

level of goods, shoppers think that they save money for shopping. Another

promotion variable of advertising spending had a positive influence on customer

loyalty. This was supported by the prior studies (Cengiz & Yayla, 2007; Yoo et al.,

2000). However, it had an inverse relationship with word-of-mouth communication

in this study. A possible explanation for this finding may be due to the fact that

shoppers think only poor quality products, out of date products, or near the expiration

date products need to be highly advertised for stores to reduce the stock. Thus, they

do not have confidence to recommend to other consumers to buy their products.

For hypothesis 2, the results revealed that perceived quality had a direct

relationship for customer loyalty, which was consistent with the prior study (Dadder

et al., 2007). The results also showed that sacrifice, another variable of perceived

value was not a significant factor for customer loyalty. This was consistent with the

prior study (Cronin et al., 2000). A possible explanation for sacrifice was not a

significant factor may be that retail shoppers view quality that they received as being

of greater importance than the sacrifices they made to purchase the product. Another

possible explanation may be that the high store distributions and being located in a

small geographic area (Kaohsiung). The shortest distance to go to retail store

(convenience store) is about .9 miles as well as the furthest distance (warehouse club)

is less than about 6 miles. Thus, shoppers take less time and efforts to shop at most

retail stores.

From hypothesis 3, the results indicated that the marketing mix elements

(price deal, distribution intensity, advertising spending and price) and perceived

quality significantly influenced customer loyalty (word-of-mouth communication,

price insensitivity, and purchase intention). The results partially supported the

finding of prior study (Yoo et al. 2000). Yoo et al.'s (2000) study tested the

relationship between the marketing mix elements and brand equity through three

mediating variables of perceived quality, brand loyalty, and brand associations. The

findings indicated that brand loyalty was a holistic construct, closer to brand equity.

Thus, perceived quality and brand associations were viewed as antecedents for brand

loyalty.   Furthermore, the result showed that the four marketing mix elements

(advertising spending, store image, distribution intensity, and price) had positive

relationships and one (price deal) had a negative relationship to brand equity.   That

is, five marketing mix elements and perceived quality were significant factors to

brand loyalty.

For hypothesis 4, the result indicated that three marketing mix elements (price

deal, distribution intensity and advertising spending), perceived value variable

(perceived quality) and relationship quality variables (customer satisfaction, trust, and

commitment) had a significant relationship with customer loyalty (word-of-mouth

communication, price insensitivity, and purchase intention).   The result partially

supported prior studies (Bloemer & Odekerken-Schroder, 2002; Eakuru & Mat, 2008).

In Bloemer and Odekerken-Schroder (2002) study, the results were that the marketing

mix element (store image) and relationship quality variables (customer satisfaction,

trust, and commitment) had a significant and direct relationship with customer loyalty.

The store image in their study included tangible and intangible elements of marketing

strategy (4Ps) in one construct (store image).   However, in this study, 4Ps were

measured with five variables.

The results of the Eakuru and Mat (2008) study showed that the marketing

mix element (store image), perceived value, customer satisfaction, trust, and

commitment positively influenced customer loyalty.   In their study, the product

element of the marketing mix (store image) was a significant predictor to customer

loyalty.   However, in this study, the results were that promotion element (price deal

and advertising spending) and place element (distribution intensity) were significant

predictors to customer loyalty.   A possible explanation for the difference may be the

characteristics of customers.   For banking industry, customers are more concerning

about banks with good security or employees being trustworthy.   However, for

consumer goods retail industry, shoppers are more concerning about promotion

programs, advertising campaigns, and product assortments.

Practical Implications

Retailing is a highly competitive industry in Taiwan.   The major objective of

this study was to explore the strategies to build customer loyalty.   Retailers should

seriously take in account the particular importance of the marketing mix, customer

perceived value, customer satisfaction, trust, and commitment.   The implications

from hypotheses testing are as follows.

1. The findings support the framework proposed by Oliver (1997) structures

   of the antecedents of customer loyalty.   This study revealed that the

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marketing mix (4Ps), perceived quality, customer satisfaction, trust and

commitment had different influenced on shoppers' customer loyalty.   The

combinations of the antecedents together explained 38.3% of the variance

in customer loyalty.   In addition to the strong impact of trust,

commitment, price deal and perceived quality on customer loyalty,

word-of-mouth communication, price insensitivity, and purchase intention,

retail store shoppers are highly trustful and committed.   Retail store

customers are interested in engaging in promotion programs, such as

special displays, coupons, promotional discounts, contests, gift offers, and

sweepstakes.   Moreover, they are concerned with product quality and

functions of stores.   Thus, these findings are factors that retail stores

should build trust and commitment through offering frequent promotion

programs, maintaining product quality, and increasing store functions to

continually meet shoppers' expectations.

2. Advertising campaigns had a negative relationship with customer

word-of-mouth communications.   Shoppers may think products that are

frequently advertised might be poor quality products, out of date products,

or near the expiration date products that retailers want to clear the stock.

Thus, customers do not have the confidence to recommend purchasing the

product to other consumers.　Furthermore, advertising campaigns negatively influenced Carrefour hypermarket shoppers, but positively influenced Costco shoppers' price insensitivity.　For the Carrefour store, the content of advertising frequently focused on price discount.　Shoppers tended to be sensitive to the price because of promotional advertising exposure.　Costco is a membership warehouse club.　Customers shop at Costco by paying the membership fee.　To make the membership card worth for the money, they may be motivated to shop by advertising exposure.　The advertising campaigns therefore made them less price sensitivity.　Thus, retailers should seriously consider the frequency and content of advertising campaigns based on their store objective and strategy.

Based on the data analysis, different factors contributed to customer loyalty among five retail stores.　Therefore, the recommendations for each retail store type are provided as follows.

3. For 7-Eleven convenience store, the higher numbers of people employed in the household and the less personal income increases customer loyalty. This appeared that busy customers are major customers for 7-Eleven.　Of the marketing mix elements, the higher distribution intensity (sell more

assortment of goods) and offer more price deal (promotion activity),

customer loyalty increased.   Meanwhile, 7-Eleven shoppers had a higher

level of satisfaction and some degree of trust.   However, commitment

was not a significant factor for 7-Eleven.   If the store does not have the

products to meet shoppers' need, they could change to competing stores.

Thus, these findings are factors that convenience stores should offer more

product assortments and frequent promotion activities to increase customer

loyalty.

4. For Wellcome supermarket shoppers, customers shopping characteristics

(married and those who have been married such as widowed, or divorced,

lower numbers of people in the household, less educated people, and

higher store spending per visit) had greater positive impact on loyalty.

Moreover, distribution intensity (sell more assortment of goods), price deal,

and perceived quality were important for Wellcome shoppers.   However,

sacrifice appeared to be a negative influence on customer loyalty.   That is,

many Wellcome shoppers are married or have been married and have

small family.   To save time, they expected to buy every product they

need in the store with an expected level of quality.   Therefore, they are

less price sensitivity.   Furthermore, customers have a high level of trust

and commitment than they do for satisfaction. Thus, these findings are factors that supermarket stores should focus on having more product assortments, frequent promotion activities, such as coupons, promotional discounts, gift offers, and improving product quality.

5. Carrefour hypermarket shoppers are more educated people, price sensitivity (price deal), and highly trustful and committed. Customer satisfaction was not a significant factor for Carrefour shoppers. Perceived quality had some degree influence on customer loyalty and advertising campaigns had a negative influence on customer loyalty. That is, shoppers are interested in engaging in promotion programs, such as special displays, coupons, promotional discounts, gift offers, and sweepstakes. Moreover, shoppers are concerned with product quality and functions of stores. Thus, these findings are factors that hypermarkets should not focus on frequent advertising on public broadcasting. They should build customer trust and commitment through offering frequent promotion activities, maintaining product quality, and increasing store functions to meet shoppers' expectations.

6. When comparing the customer loyalty between retail stores, Costco warehouse club shoppers are more loyal than Wellcome, Carrefour, and

Hanshin customers in word-of-mouth communication, price insensitivity, and purchase intention. Customer shopping characteristics were not significant factors for Costco shoppers. However, they had a very high level of trust, expect more promotion activities (price deal), and advertising campaigns. The combination of three factors (price deals, advertising campaigns, and trust) predicted 54% of customer loyalty, 60.8% of word-of-mouth communication, and 47.5% of shoppers' purchase intentions. These findings are factors that membership warehouse club should increase advertising campaigns through public broadcasting to increase their store and brand image. Meanwhile, they should focus on promotion strategy, such as coupons, promotional discounts, gift offers, sweepstakes, and loyalty programs. It is not only to boost sales volume, but also earn trust and commitment from shoppers that the store offers a great deal and helps them save money.

7. For Hanshin department store, several shopping characteristics influenced customer loyalty. The greater the shopping frequency, the more purchase per store visit, and more people employed in the household are factors that increased customer loyalty. However, shoppers tended to often shop at other department stores that cause the negative influence on store loyalty.

Price deal was the only significant marketing strategy that increased

customer loyalty.   Shoppers did not perceive the value from the store, but

they had somewhat trust and some degree of satisfaction and commitment

to the store.   These findings are factors that department stores should

implement strategies to have more promotion activities, such as special

displays, coupons, promotional discounts, gift offers, loyal customer

programs, and sweepstakes, to attract customers and retain them longer in

the store.

Conclusions

Based on the research results, promotion activities (price deals), customer

perceived quality, trust, and commitment have strong impact on customer loyalty for

the sample and for each retail store (convenience store, supermarket, hypermarket,

membership warehouse club, and department store).   The order of strength

relationship on customer loyalty was relationship quality construct (trust and

commitment), perceived value construct (perceived quality), and the marketing mix

construct (price deal).

The findings also indicated that advertising campaigns had a negative

relationship with customer word-of-mouth communications.   Furthermore,

advertising spending had a negative relationship with Carrefour shoppers' price

insensitivity, while it had a positive relationship with Costco shoppers' price

insensitivity.

Regarding perceived value construct (perceived quality and sacrifice),

sacrifice was not a significant factors for customer loyalty, word-of-mouth

communication, price insensitivity, and purchase intention.   The only exception was

that sacrifice inversely influenced Wellcome supermarket shoppers' word-of-mouth

communication.

Therefore, retailers have to specifically focus on these factors in order to

build a long-term and mutually profitability relationship with a customer and create

loyalty as competitive advantages in the market.

Limitations

This study was confined by several limitations.   These limitations were as

follows.

1. The marketing mix elements focus on the variables that sellers can control

    and adapt quickly and exclude other constructs such as store location.

    Meanwhile, the elements focused on tangible elements and exclude

    intangible elements, such as service quality and store atmosphere.

2. The sample was in one country (Taiwan), one city (Kaohsiung) and five

    retail stores (one convenience store, supermarket, hypermarket,

membership warehouse club, and department store).   Meanwhile, the

systematic random sampling plan might cause a bias from contacting

specific groups of people.   Thus, the result cannot be generalized to other

retail stores, other industries, other cities, or other countries.

3. This study was a cross-sectional study because of the constraints of cost

and time.   A longitidinal study could have different results and findings.

Recommendation for Future Studies

1. For the marketing mix elements, store image, the product element of the

marketing mix (4Ps) focused on tangible element (product quality), future

studies should categorize into two groups - tangible element, such as

product quality and intangible element, such as service quality, reputation,

and store atmosphere.   Moreover, place element of the marketing mix

(4Ps) focused on product assortments in this study.   Future study should

include store locations.

2. Future study should be conducted in other industries and other Asian

countries or different global regions.   Moreover, the comparison study is

recommended such as (a) cross-industry study, (b) cross-country study,

and (c) different marketing strategy (low cost versus high quality strategy

or membership versus non-membership strategy) to examine different

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factors that influence customer loyalty in different industries, countries or strategies.

3. The longitudinal survey is recommended to examine customer loyalty for an extended period of time.

4. The comparison study between competitors, e.g. 7-Eleven and other convenience stores, Carrefour and other hypermarkets, and Hanshin and other department stores is recommended to examine different customer loyalty perceptions.

The findings of this study concluded that different combinations of marketing strategy (4Ps), perceived quality, relationship quality (customer satisfaction, trust, and commitment) affect different level of customer loyalty in five retail stores. However, promotion (price deal), customer perceived quality (product quality and store function), trust and commitment are consistently significant and positive factors that influence shoppers' loyalty. The strength order on customer loyalty was relationship quality construct (trust and commitment), perceived value construct (perceived quality), and the marketing mix construct (price deal). Although some limitations were in this study, the findings contribute to the understanding of customer loyalty and provide practical insights for retailers to deliver more value and build a long-term and mutually profitability relationship with customers.

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Appendix A

Survey Instruments

Part 1: Customer Characteristics

Instruction: Please **check** one response for each question that best describes you.

1. Gender:

   ___Male   ___Female

2. Age:

   ___18-25   ___26-35   ___36-45

   ___46-55   ___56-65   ___66 or above

3. Marital Status:

   ___Single   ___Married   ___Widowed   ___Divorced

4. Educational level

   ___Primary school or below   ___Junior school

   ___High school   ___Bachelor degree

   ___Master's degree   ___Doctoral degree

5. How many people live in your household?

   ___1   ___2   ___3   ___4 or more

6. How many people employed in your household?

   ___1   ___2   ___3   ___4 or more

7. Occupation

   ___Corporate executive, manager, or supervisor   ___Business owner

   ___Engineer or technicians   ___Professionals

   ___Clerk, salesmen or service worker   ___Operator

   ___Administrative personnel   ___Industrial labors

   ___Housekeeper   ___Student

   ___Unemployed   ___Retired

   ___Other, please specify_____

8. Personal monthly income

   ___NT 20,000 or Less   ___NT 20,001 – NT 30,000

   ___NT 30,001 – NT 40,000   ___NT 40,001 – NT 50,000

   ___NT 50,001 – NT 60,000   ___NT 60,001 – NT 70,000

   ___NT 70,001 – NT 80,000   ___NT 80,001 – NT 90,000

   ___NT 90,001 – NT 100,000   ___NT100,001 or above

9. Household monthly income

   ___NT 20,000 or Less   ___NT 20,001 – NT 40,000

   ___NT 40,001 – NT 60,000   ___NT 60,001 – NT 80,000

   ___NT 80,001 – NT 100,000   ___NT 100,001 – NT 120,000

   ___NT 120,001 – NT 15,000   ___NT 150,001 – NT 180,000

   ___NT 180,001 – NT 200,000   ___NT 200,001 or above

10. On average, how much money do you spend per visit at this store?

   ___NT 100 or less   ___NT 101 – NT 250

   ___NT 251 – NT 500   ___NT 501 – NT 1,000

   ___NT 1,001 – NT 2,000   ___NT 2,001 – NT 3,000

   ___NT 3,001 – NT 4,500   ___NT 4,501 – NT 6,000

   ___NT 6,001 – NT 7,500   ___NT 7,501 – NT 9,000

   ___NT 9,001 – NT 10,000   ___NT 10,001 or above

11. How frequently do you shop in this (retail store) in the last month?

   ___0   ___1   ___2

   ___3   ___4   ___5 or more

12. How many (retail stores) other than (retail store) have you shopped in the last year?

   ___0   ___1   ___2

   ___3   ___4   ___5 or more

Part 2 Marketing Mix and Perceived Quality

Instructions: Please indicate how much your disagree or agree with the questions by **check** the most appropriate one of the five numbers (1, 2, 3, 4, 5, 6, 7, 8, 9) in each item. 1 represents "Strongly disagree" and 9 represents "Strongly agree."

	Strongly Disagree				Neutral				Strongly Agree
The price in (Retail Store) is high	☐	☐	☐	☐	☐	☐	☐	☐	☐
The price of (Retail store) is low	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) is expensive	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) is intensively advertised	☐	☐	☐	☐	☐	☐	☐	☐	☐
The ad campaigns for (Retail Store) seem very expensive, compared to campaigns for competing stores	☐	☐	☐	☐	☐	☐	☐	☐	☐
The ad campaigns for (Retail Store) are seen frequently	☐	☐	☐	☐	☐	☐	☐	☐	☐
Price deals for (Retail Store) are frequently offered	☐	☐	☐	☐	☐	☐	☐	☐	☐
Too many times price deals for (Retail Store) are presented	☐	☐	☐	☐	☐	☐	☐	☐	☐
Price deals for (Retail Store) are emphasized more than seems reasonable	☐	☐	☐	☐	☐	☐	☐	☐	☐

	Strongly Disagree			Neutral				Strongly Agree	
(Retail Store) carries products of high quality	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) would be of high quality	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) has well-known brands	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) sells more goods, as compared to its competing stores	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) provides more goods than its competing stores.	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) has more store locations than its competing stores	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) is of high quality	☐	☐	☐	☐	☐	☐	☐	☐	☐
The likely quality of (Retail Store) is extremely high.	☐	☐	☐	☐	☐	☐	☐	☐	☐
The likelihood that (Retail Store) would be functional is very high.	☐	☐	☐	☐	☐	☐	☐	☐	☐
The likelihood that (Retail Store) is reliable is very high	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) must be of very good quality	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) appears to be of very poor quality	☐	☐	☐	☐	☐	☐	☐	☐	☐

From "An examination of selected marketing mix elements and brand equity (2000)". *Journal of Marketing Science, 28*(2), 195-211. Adapted with permission of Yoo, Donthu, and Lee.

Part 3. Sacrifice

Instructions: Please indicate how much your disagree or agree with the questions by **check** the most appropriate one of the nine numbers (1, 2, 3, 4, 5, 6, 7, 8, 9) in each item.

	Very Low			Neutral				Very High	
The price charge in this (Retail Store) is	☐	☐	☐	☐	☐	☐	☐	☐	☐
The time required to go to (Retail Store) is	☐	☐	☐	☐	☐	☐	☐	☐	☐
The effort that I must make to receive the services offer by (Retail Store) is	☐	☐	☐	☐	☐	☐	☐	☐	☐

From "Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments (2000)". *Journal of Retailing, 76*(2), 193-218. Adapted with permission of Cronin, Brady, and Hult.

Part 4. Relationship quality scale and customer loyalty

Instructions: Please indicate how much your disagree or agree with the questions by **check** the most appropriate one of the nine numbers (1, 2, 3, 4, 5, 6, 7, 8, 9) in each item.

	Completely Disagree				Neutral				Completely Agree
(Retail Store) confirms my expectations	☐	☐	☐	☐	☐	☐	☐	☐	☐
I am satisfied with the price/quality ratio of (Retail Store).	☐	☐	☐	☐	☐	☐	☐	☐	☐
I am really satisfied with (Retail Store).	☐	☐	☐	☐	☐	☐	☐	☐	☐
In general, I am satisfied with (Retail Store)	☐	☐	☐	☐	☐	☐	☐	☐	☐
In general, I am satisfied with the service I get from (Retail Store)	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) gives me a feeling of confidence	☐	☐	☐	☐	☐	☐	☐	☐	☐
I have faith in (Retail Store)	☐	☐	☐	☐	☐	☐	☐	☐	☐
(Retail Store) enjoys my confidence	☐	☐	☐	☐	☐	☐	☐	☐	☐
If products are cheaper at another store than at (Retail Store), then I go to the other stores.	☐	☐	☐	☐	☐	☐	☐	☐	☐
If there (Retail Store) is not nearby, then I go to another store.	☐	☐	☐	☐	☐	☐	☐	☐	☐

	Completely Disagree			Neutral			Completely Agree		
If I intend to go to (Retail Store), it is easy to make me change my mind. So that I in fact go to another store.	☐	☐	☐	☐	☐	☐	☐	☐	☐
I say positive thing about (Retail Store) to other people.	☐	☐	☐	☐	☐	☐	☐	☐	☐
I recommend (Retail Store) to someone who seeks advice.	☐	☐	☐	☐	☐	☐	☐	☐	☐
I encourage friends to go to (Retail Store).	☐	☐	☐	☐	☐	☐	☐	☐	☐
I am willing to pay a higher price than other stores charge for the benefits I currently receive from (Retail Store).	☐	☐	☐	☐	☐	☐	☐	☐	☐
I am willing to go to another store that offers more attractive prices.	☐	☐	☐	☐	☐	☐	☐	☐	☐
I will go less often to (Retail Store) in the next few weeks.	☐	☐	☐	☐	☐	☐	☐	☐	☐
I consider (Retail Store) as my first choice.	☐	☐	☐	☐	☐	☐	☐	☐	☐
I will go more often to (Retail Store) in the next few weeks.	☐	☐	☐	☐	☐	☐	☐	☐	☐
In the near future, I surely attend (Retail Store) again.	☐	☐	☐	☐	☐	☐	☐	☐	☐

From "Store satisfaction and store loyalty explained by customer-and-store-related factors (2002)". *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 15,* 68-80. Adapted with permission of Bloemer and Odekerken-Schroder.

Appendix B

Permission to Use Marketing Mix and Perceived Quality Survey

From: Boonghee Yoo [mailto: ████████████████]
Sent: Fri 5/21/2010 12:51 AM
To: Mei-Lien Li
Subject: RE: Requesting the permission to adapt your scale

Dear Amy,

I permit you to adapt my scale for your research purpose.

Best wishes,

Dr. Boonghee Yoo
Associate Professor, Marketing and International Business Dept.
131 Weller Hall, Hofstra University, Hempstead NY 11549 USA
████████████ (Phone), ████████████ (Fax)
http://people.hofstra.edu/Boonghee_Yoo

From: Mei-Lien Li ████████████████
Sent: Thursday, May 20, 2010 5:34 PM
To: Boonghee Yoo
Cc: Robert Green
Subject: Requesting the permission to adapt your scale

Dear Dr. Yoo,

My name is Mei-Lien Li. I am a Ph.D. student in Lynn University located in Boca Raton, Florida. My major is Global Leadership, with a specialization in Corporate and organizational Management. The proposal is for a study of the relationship among marketing strategy, customer perceived value, relationship quality, and customer loyalty.

While doing my literature review for the dissertation, I have read your excellent article:

Yoo, B., Donthu, N., & Lee, S. (2000). An examination of selected marketing mix elements and brand equity. Academy of Marketing Science, 28(2), 195-211.

With all respect, I am asking for your permission to adapt the instrument of marketing mix (price, store image, distribution intensity, advertising spending, and price deals)

and perceived quality (Table 1, Yoo et al., 2000, p.203) that you developed for the above study. I am requesting permission to reproduce and modify the above scales for my dissertation.

I would greatly appreciate your consent to my request. If you require any further information, please do not hesitate to contact me. I can be reached at ▮▮▮▮▮▮▮▮▮▮ <mailto:▮▮▮▮▮▮▮▮> or ▮▮▮▮▮▮ My dissertation chair is Dr. Robert D. Green, who can be reached at ▮▮▮▮▮▮ <mailto:R▮▮▮▮▮▮▮> and ▮▮▮▮▮▮.

Due to the requirement of Lynn University Institutional Review Board (IRB), would you please approve the letter via your school's email and with your contact number and address? Meanwhile, after your approval, would you please forward the original questionnaire you tested in 2000 "An examination of selected marketing mix elements and brand equity"?

Looking forward to receiving your reply soon.

Sincerely,

Mei-Lien Li (Amy)

Appendix C

Permission to Use Sacrifice Survey

From: Brady, Michael [mailto██████████████]

Sent: Fri 6/11/2010 9:42 AM

To: Mei-Lien Li; Cronin, Joe; ████████████

Cc: Robert Green

Subject: RE: Requesting the permission to adapt your scale

Joe and I both give our consent to use and adapt our scales. About our survey, I'm afraid it was a victim of too many moves and too many computer upgrades. However, the scales are accessible in the 2000 paper and in a follow up study we published in JR in 2005. The cite is below. Best of luck with your research,

Cite: Michael K. Brady, Gary A. Knight, J. Joseph Cronin Jr., G. Tomas M. Hult, and Bruce D. Keillor
(2005), "Removing the Contextual Lens: A Multinational, Multi-Setting Comparison of Service Evaluation Models," *Journal of Retailing*, 81(3), 215-230.

Michael K. Brady
The Carl DeSantis Associate Professor of Business Administration
Florida State University
The College of Business
Rovetta Business Building, Room 519

████████████

████████████████

████████

-----Original Message-----
From: Mei-Lien Li [mailto██████████████]
Sent: Friday, June 11, 2010 9:32 AM
To: Cronin, Joe; ████████████
Cc: Robert Green
Subject: Requesting the permission to adapt your scale

Dear Dr. Cronin and Dr. Brady,

My name is Mei-Lien Li. I am a Ph.D. student in Lynn University located in Boca Raton, Florida. My major is Global Leadership, with a specialization in Corporate and organizational Management. My proposal is for a study of the relationship among

marketing strategy, customer perceived value, relationship quality (customer satisfaction, trust, and commitment), and customer loyalty.

While doing my literature review for the dissertation, I have read your excellent article:

Cronin, JR.,J.J., Brady, M.K., & Hult, G.T.M. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. Journal of Retailing, 76(2), 193-218.

With all respect, I am asking for your permission to adapt the instrument of sacrifice (Appendix, Cronin et al., 2000, p.212) that you developed for the above study. I am requesting permission to reproduce and modify the above scales for my dissertation.

I would greatly appreciate your consent to my request. If you require any further information, please do not hesitate to contact me. I can be reached at ▮▮▮▮▮▮▮▮ <mailto▮▮▮▮▮▮▮> or ▮▮▮▮▮▮ My dissertation chair is Dr. Robert D. Green, who can be reached at ▮▮▮▮▮▮ <mailto:▮▮▮▮▮▮> and ▮▮▮▮▮▮

Due to the requirement of Lynn University Institutional Review Board (IRB), would you please approve the letter via your school's email and with your contact number and address? Meanwhile, after your approval, would you please forward the original questionnaire you tested in 2000 "Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments"?

Looking forward to hearing from you soon.

Sincerely,

Mei-Lien Li (Amy)

Appendix D

Permission to Use Relationship Quality and Customer Loyalty Survey

From: Odekerken G (MW) [mailto:█████████████████████]
Sent: Fri 6/11/2010 12:56 PM
To: Mei-Lien Li
Subject: Re: Requesting the permission to adapt your scale

Dear Mien-Lie Li,
I approve your request. Good luck!
Gaby

----- Oorspronkelijk bericht -----
Van: Mei-Lien Li ███████████████>
Aan: Odekerken G (MW); ███████████████ <██████████████████
Cc: Robert Green ████████████>
Verzonden: Fri Jun 11 15:28:21 2010
Onderwerp: Requesting the permission to adapt your scale

Dear Dr. Odekerken-Schroder,
My name is Mei-Lien Li. I am a Ph.D. student in Lynn University located in Boca
Raton, Florida. My major is Global Leadership, with a specialization in Corporate and
organizational Management. The proposal is for a study of the relationship among
marketing strategy, customer perceived value, relationship quality (customer
satisfaction, trust, and commitment), and customer loyalty.

While doing my literature review for the dissertation, I have read your excellent article:
Bloemer, J. & Gaby Odekerken- Schroder, G. (2002). Store satisfaction and store
loyalty explained by customer-and store-related factors. Journal of Consumer
Satisfaction, Dissatisfaction and Complaining Behavior, 15, 68-80.

With all respect, I am asking for your permission to adapt the instrument (Table 1,
Bloemer & Odekerken-Schroder, p.74) that you developed for the above study. I am
requesting permission to reproduce and modify the above scales for my dissertation.

I would greatly appreciate your consent to my request. If you require any further
information, please do not hesitate to contact me. I can be reached at
█████████████ <mailto:█████████████> or ████████. My
dissertation chair is Dr. Robert D. Green, who can be reached at ████████████
<████████████████ and ████████████

Due to the requirement of Lynn University Institutional Review Board (IRB), would

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you please approve the letter via your school's email and with your contact number and address? Meanwhile, after your approval, would you please forward the original questionnaire you tested in 2002 "Store satisfaction and store loyalty explained by customer- and store-related factors"?

Looking forward to hearing from you soon.

Sincerely,
Mei-Lien Li (Amy)

Appendix E
IRB Approval

LYNN UNIVERSITY

3601 North Military Trail
Boca Raton, FL 33431-5598
Via Email: mli@email.lynn.edu

September 29, 2010

Mei-Lien Li

████████████

████████████

Dear   Amy:

The proposal that you have submitted, "*Impact of marketing strategy, customer perceived value, customer satisfaction, trust, and commitment on customer loyalty*" has been granted for approval by the Lynn University's Institutional Review Board. You are responsible for complying with all stipulations described under the Code of Federal Regulations 45 CFR 46 (Protection of Human Subjects).   This document can be obtained from the following address:

    http://www.hhs.gov/ohrp/humansubjects/guidance/45cfr46.htm

Please click on the link below for Form 8 (Termination Form) that needs to be completed and returned to Ms. Teddy Davis at ████████ when you fulfill your study.   You are reminded that should you need an extension or report a change in the circumstances of your study, an additional document must be completed.

https://my.lynn.edu/uPortal/media/edu/lynn/portal/channels/academics/documents/irb/IRB-FORM-8.pdf

Good luck in all your future endeavors!

Warmest regards,

Dr. Theodore Wasserman

Dr. Theodore Wasserman

IRB Chair

/td

Cc: Dr. C. Patterson

    Dr. Robert Green

    File # 2010-SU24

Appendix F
Survey Instruments (Chinese Version)

第一部份: 消費者特性

說明: 下列問題請勾選一個最能描述您的選項。.

1. 性別:　　　____男　　　　　　____女

2. 年齡:
　　____18-25　　　　____26-35　　　　____36-45
　　____46-55　　　　____56-65　　　　____66 或以上

3. 婚姻狀況:
____單身　　　　　____已婚　　　　____喪偶　　　　____離婚

4. 教育程度:
　____小學或以下　　　____國中　　　　____高中
　____大學　　　　　　____碩士　　　　____博士

5. 家庭成員數?
　____1　　　　____2　　　____3　　　____4 或以上

6. 家裡工作人數?
　____1　　　　____2　　　____3　　　____4 或以上

7. 職業:
　____企業執行長、經理、或主管　　　____企業主
　____工程師或技師　　　　　　　　　____專業人員
　____職員、業務員、或服務人員　　　____操作員
　____行政人員　　　　　　　　　　　____勞工
　____家管　　　　　　　　　　　　　____學生
　____待業中　　　　　　　　　　　　____已退休
　其他,請說明_____

8. 個人月收入 (NT: 新台幣)

    ____NT 20,000 或以下   ____NT 20,001 – NT 30,000

    ____NT 30,001 – NT 40,000   ____NT 40,001 – NT 50,000

    ____NT 50,001 – NT 60,000   ____NT 60,001 – NT 70,000

    ____NT 70,001 – NT 80,000   ____NT 80,001 – NT 90,000

    ____NT 90,001 – NT 100,000   ____NT100,001 或以上

9. 家庭月收入 (NT: 新台幣)

    ____NT 20,000 或以下   ____NT 20,001 – NT 40,000

    ____NT 40,001 – NT 60,000   ____NT 60,001 – NT 80,000

    ____NT 80,001 – NT 100,000   ____NT 100,001 – NT 120,000

    ____NT 120,001 – NT 150,000   ____NT 150,001 – NT 180,000

    ____NT 180,001 – NT 200,000   ____NT 200,001 或以上

10. 光臨零售店平均每次花費是多少?

    ____NT 100 或以下   ____NT 101 – NT 250

    ____NT 251 – NT 500   ____NT 501 – NT 1,000

    ____NT 1,001 – NT 2,000   ____NT 2,001 – NT 3,000

    ____NT 3,001 – NT 4,500   ____NT 4,501 – NT 6,000

    ____NT 6,001 – NT 7,500   ____NT 7,501 – NT 9,000

    ____NT 9,001 – NT 10,000   ____NT 10,001 或以上

11. 上個月您有多常到零售店消費?

    ____0   ____1   ____2

    ____3   ____4   ____5 或以上

12. 去年除了零售店,您還去過幾次其他的超市?

    ____0   ____1   ____2

    ____3   ____4   ____5 或以上

第二部份: 行銷組合與認知品質

說明:下列問題請依您同意的程度從數字 1, 2, 3, 4, 5, 6, 7, 8, 9 中勾選出一個最適宜的答案。1 代表"非常不同意",9 代表"非常同意"。

	非常不同意			普通			非常同意	
零售店的商品價格是高的	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店的商品價格是低的	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店的商品是昂貴的	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店的廣告非常密集	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店的廣告宣傳花費比同行競爭者更多	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店的廣告宣傳活動非常頻繁	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店經常提供價格優惠	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店提供價格優惠的次數太多了	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店的價格優惠感覺起來太優惠了	☐	☐	☐	☐	☐	☐	☐	☐	☐

	非常不同意			普通			非常同意	
零售店有著高品質的商品	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店會提供高品質的商品	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店有販售知名品牌商品	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店比其他競爭者販售更多產品	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店比其他競爭者提供更多產品選擇性	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店比其他競爭者有更多的店數	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店是高品質的	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店的品質似乎非常好	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店的功能性非常好	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店非常值得信賴	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店的品質肯定非常好	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店的品質似乎很差	☐	☐	☐	☐	☐	☐	☐	☐	☐

第三部份: 消費者所付的代價

說明 : 下列問題請依您同意的程度從數字 1, 2, 3, 4, 5, 6, 7, 8, 9 中勾選出一個最適宜的答案。

	非常低/少			普通			非常高/多		
零售店的商品價格是	☐	☐	☐	☐	☐	☐	☐	☐	☐
去零售店所需花費的時間	☐	☐	☐	☐	☐	☐	☐	☐	☐
要到零售店消費所需付出的代價是	☐	☐	☐	☐	☐	☐	☐	☐	☐

第四部份: 關係品質量表與客顧忠誠度

說明:下列問題請依您同意的程度從數字 1, 2, 3, 4, 5, 6, 7, 8, 9 中勾選出一個最適

宜的答案。

	完全不同意			普通			完全同意
零售店符合我的期待	☐ ☐	☐	☐	☐	☐	☐	☐ ☐
我滿意零售店的價格品質比	☐ ☐	☐	☐	☐	☐	☐	☐ ☐
我對零售店非常滿意	☐ ☐	☐	☐	☐	☐	☐	☐ ☐
通常我對零售店感到滿意	☐ ☐	☐	☐	☐	☐	☐	☐ ☐
通常我對於零售店所提供的服務感到滿意	☐ ☐	☐	☐	☐	☐	☐	☐ ☐
我對零售店有信心	☐ ☐	☐	☐	☐	☐	☐	☐ ☐
我信任零售店	☐ ☐	☐	☐	☐	☐	☐	☐ ☐
我對零售店的信心令他們覺得開心	☐ ☐	☐	☐	☐	☐	☐	☐ ☐
若別店的商品價格比零售店便宜,我會去其他店消費	☐ ☐	☐	☐	☐	☐	☐	☐ ☐
若零售店不在附近,那麼我會去其他品牌的店	☐ ☐	☐	☐	☐	☐	☐	☐ ☐

	完全不同意				普通			完全同意	
如果我打算去零售店, 我很容易改變心意,而去別家超市	☐	☐	☐	☐	☐	☐	☐	☐	☐
我會主動跟別人說零售店的優點	☐	☐	☐	☐	☐	☐	☐	☐	☐
如果有人要求提供建議，我會推薦零售店	☐	☐	☐	☐	☐	☐	☐	☐	☐
我會鼓勵我的朋友去零售店	☐	☐	☐	☐	☐	☐	☐	☐	☐
因為受惠於零售店的優點, 我願意支付比其他店家更高的價格去購買商品	☐	☐	☐	☐	☐	☐	☐	☐	☐
我會去其他提供更優惠價格的超市	☐	☐	☐	☐	☐	☐	☐	☐	☐
在接下來的數週我會減少去零售店的次數	☐	☐	☐	☐	☐	☐	☐	☐	☐
零售店是我心目第一選擇的超市	☐	☐	☐	☐	☐	☐	☐	☐	☐
在接下來的數週我會增加去零售店的次數	☐	☐	☐	☐	☐	☐	☐	☐	☐
在不久的將來，我一定會再去零售店	☐	☐	☐	☐	☐	☐	☐	☐	☐

Appendix G
Removed Item

	Item No.	Item
Panel A: Marketing Mix		
	Price 1	The price in (Retail Store) is high
	Price 2	The price of (Retail store) is low
	Price 3	(Retail Store) is expensive
	Advertising Spending 1	(Retail Store) is intensively advertised
	Advertising Spending 2	The ad campaigns for (Retail Store) seem very expensive, compared to campaigns for competing stores
	Advertising Spending 3	The ad campaigns for (Retail Store)are seen frequently
	Price Deal 1	Price deals for (Retail Store)are frequently offered
	Price Deal 2	Too many times price deals for (Retail Store) are presented
	Price Deal 3	Price deals for (Retail Store)are emphasized more than seems reasonable
	Store Image 1	(Retail Store) carries products of high quality
	Store Image 2	(Retail Store) would be of high quality
	Store Image 3	(Retail Store) has well-known brands
	Distribution Intensity 1	(Retail Store) sells more goods, as compared to its competing stores
x	Distribution Intensity 2	(Retail Store) provides more goods than its competing stores.
	Distribution Intensity 3	(Retail Store) has more store locations than its competing stores
Panel B: Perceived Value		
x	Perceived Quality 1	(Retail Store) is of high quality
	Perceived Quality 2	The likely quality of (Retail Store) is extremely high.
	Perceived Quality 3	The likelihood that (Retail Store) would be functional is very high.
	Perceived Quality 4	The likelihood that (Retail Store) is reliable is very high
x	Perceived Quality 5	(Retail Store) must be of very good quality
	Perceived Quality 6	(Retail Store) appears to be of very poor quality
x	Sacrifice 1	The price charge in this (Retail Store) is
	Sacrifice 2	The time required to go to (Retail Store) is
	Sacrifice 3	The effort that I must make to receive the services offer by (Retail Store) is

Panel C: Relationship Quality	
Satisfaction 1	(Retail Store) confirms my expectations
Satisfaction 2	I am satisfied with the price/quality ratio of (Retail Store).
Satisfaction 3	I am really satisfied with (Retail Store)
Satisfaction 4	In general, I am satisfied with (Retail Store)
Satisfaction 5	In general, I am satisfied with the service I get from (Retail Store)
Trust 1	(Retail Store) gives me a feeling of confidence
Trust 2	I have faith in (Retail Store)
Trust 3	(Retail Store) enjoys my confidence
Commitment 1	If products are cheaper at another store than at (Retail Store), then I go to the other stores.
Commitment 2	If there (Retail Store) is not nearby, then I go to another store
Commitment 3	If I intend to go to (Retail Store), it is easy to make me change my mind. So that I in fact go to another store.

Panel D: Customer Loyalty		
	Word-of-Mouth 1	I say positive thing about (Retail Store) to other people.
	Word-of-Mouth 2	I recommend (Retail Store) to someone who seeks advice.
	Word-of-Mouth 3	I encourage friends to go to (Retail Store)
	Price Insensitivity 1	I am willing to pay a higher price than other stores charge for the benefits I currently receive from (Retail Store).
x	Price Insensitivity 2	I am willing to go to another store that offers more attractive prices.
x	Purchase Intentions 1	I will go less often to (Retail Store) in the next few weeks.
	Purchase Intentions 2	I consider (Retail Store) as my first choice.
	Purchase Intentions 3	I will go more often to (Retail Store) in the next few weeks.
x	Purchase Intentions 4	In the near future, I surely attend (Retail Store) again.