Chapter 2

REVIEW OF LITERATURE

Retailing is gaining prominence and going global. Retailing defined as business activities involved in selling goods and services to consumers for their personal, family, or household use (Berman & Evans, 2001) has undergone significant changes in recent years (Grewal & Levy, 2007; 2009; BCG & RAI, 2015). The strong, natural link between retailer and consumer acknowledges that retailer can gain much from applying and translating new consumer insights into strategies and tactics (Grewal & Levy, 2007). The competitive retail environment and retail business offers some unique challenges and brand becomes a value creation engine (Davies, 1992; Keller, 1993; Wileman & Jary, 1997; Morschett, 2001; Burt & Sparks, 2002; Ailawadi & Keller, 2004; Grewal et al., 2004; Feuer, 2005; Interbrand, 2008; Grewal & Levy, 2009; Jinfeng & Zhilong, 2009; Burt & Davies, 2010).

The research focuses on causal relationships among retail store image, store satisfaction, relational bonds, relationship quality, consumer relationship proneness and consumer based retailer equity. This chapter provides a detailed view of the constructs based on the literature review.

2.1 Consumer Based Retailer Equity

The traditionally ‘branding’ of goods has been extended to retailing (Grewal et al., 2004) and retailer as a brand operates on the expansive brand experience of the customers (Ailawadi & Keller, 2004; Interbrand, 2008).

Brand equity affects consumers’ brand attitude, brand preference and purchase decisions (Keller, 2000). Retail industry with numerous choices and low switching costs, emphasize the need for successful branding of the retailers. Retail branding is treated with high importance by the
retailers to drive store choice and influence customer perceptions, emotional commitment and shopping loyalty (Dowling, 2002; Uncles, Dowling & Hammond, 2003; Ailawadi & Keller, 2004; Yu, Zhao, & Bastin, 2008; Roy Chowdhury, 2009; Allaway et al., 2011).

Retailer equity is a powerful competitive tool which establishes an image (Oubiña et al., 2006), insulates retailers from competitors and increases revenue and profitability (Feuer, 2005; Jinfeng & Zhilong, 2009).

The holistic retailer brand equity is strategically important as the driver of marketing investments and key performance indicator for mergers and acquisitions (Aaker, 1991; Keller, 1993; Wood, 2000; Keller, 2001; Yoo & Donthu, 2001; Ambler, 2002; Grewal et al., 2004; Pappu & Quester, 2006; Altintas, Isin, Kilic, & Kaufmann, 2011; Pennemann, 2013; Takahashi, 2014).

The initial research work within retail branding was upon the product perspective based on store brands only (Burt & Davies, 2010). From this narrow perspective of brand in retailing, research has evolved into a broader concept encompassing the store and the organizational perspectives (Ailawadi & Keller, 2004; Burt & Davies, 2010). Retailer brands that are built upon rich consumer experiences are multi-sensory in nature. It is not that only the product image that affects consumers, it is the store image also (Schiffman & Kanuk, 2000; Peter & Olson, 2005; Yu et al., 2008).

Retailers need to identify the drivers of equity associated with their retail brands (Allaway et al., 2011). Customer based brand equity helps to evaluate the marketing programs (Keller, 1993; Yoo et al., 2000) and this aids the firm to assess the customer perception of brand equity. In research, retailer equity has received little attention despite the call for the importance of research in this area (Ailawadi & Keller, 2004; Grewal & Levy, 2009; Troiville, 2012). Past studies have explored various
measurement approaches to retailer equity and extended the brand equity measures to retailer equity (Yoo et al., 2000; Ailawadi & Keller, 2004; Keller & Lehmann, 2006).

Brand equity from the retailer’s point of view takes three conceptual perspectives 1. The equity associated with the retailer’s brand, 2. The equity associated with retailer’s store brand products also known as private label products 3. Retailer’s perceptions of the brands they sell (Baldauf et al., 2009). This research focuses on the first perspective of retailer equity which is the value added to a retailer by the brand name which differentiates it among competitors (Farquhar, 1989; Ailawadi & Keller, 2004).

The equity associated with retailer’s brand is considered from the customers’ perspective as opposed to the financial one (Arnett et al., 2003; Pappu & Quester, 2008; Baldauf et al., 2009) in this research. Brand equity is measured initially from financial perspective (Simon & Sullivan, 1993; Farquhar, 1989; Crimmins, 1992) later measured from the customer’s perspective as the real brand equity lies in the minds of the customers and their perception gives competitive advantage or the strength to the firm which then can be measured in the financial value terms (Aaker, 1991, 1996; Keller, 1993, 1996). Retailer’s brand equity is expressed through consumers’ positive response to its marketing efforts over competitors (Keller, 1993; Tuominen, 1999; Keller, 2003; Ailawadi & Keller, 2004; Rios & Riquelme, 2008; Mitchell et al., 2012; Takahashi, 2014).

modeled retailer equity as a formative construct and is determined by its indicators namely retailer loyalty, name awareness, service quality, and retailer association while Pappu and Quester (2006, 2008) conceptualized retailer brand equity as a four-dimensional construct comprising retailer awareness, retailer associations, retailer perceived quality and retailer loyalty. Authors Wu & Tian (2008), Roy Chowdhury (2009), Wei et al. (2009), Das et al. (2012), and Choi & Huddleston (2014), also highlighted the same dimensions to measure retailer equity and the same was adopted for this research.

Keller (1993) introduced the concept of customer-based brand equity which is the differential effect of brand knowledge on consumer response to marketing activity of the brand using brand awareness and brand image. Hartman and Spiro (2005) suggested store awareness, store loyalty and store image as dimensions to measure retailer equity while retail operational elements are emphasized by Keller (2003) and retailer image through retailer attributes by Ailawadi and Keller (2004). An integrative model with the retailer attributes (price, store design, communication, assortment, service quality) was adapted by Swoboda et al. (2007, 2009) to measure retailer brand equity.

Familiarity and image are the two equity dimensions which were identified important to retailers by Levy and Weitz, (2004) and Keller (2003) and later adopted by Decarlo et al (2007). Retailer equity is measured through the outcome factors and the equity drivers (Allaway et al 2011) while Troiville (2012) conceptualized it based on store image theory (Ailawadi & Keller, 2004).

Gil-Saura et al. (2013) have applied Keller (1993)’s brand equity conceptualization to customer based retailer equity. This research adopts the Pappu and Quester (2006)’s model to measure consumer based retailer equity of the apparel retail stores in the Indian retail context as replicative of Yoo and Donathu (2001)’s measurement drawn from Aaker’s and Keller’s conceptualizations of brand equity.

The equity associated with a retail brand is referred to as “Consumer-Based Retailer Equity” (Pappu & Quester, 2006), “Customer Based Store Equity” (Hartman & Spiro, 2005) or “Retailer Equity” (Arnett et al., 2003; Decarlo et al., 2007) or “Retail Brand Equity/Retailer Equity/Store Equity” (Gil-Saura et al., 2013). Consumer based retailer equity is defined as “the value associated by the consumer with the name of a retailer, as reflected in the dimensions of retailer awareness, retailer associations, retailer perceived quality and retailer loyalty” (Pappu & Quester, 2006).

2.1.1 Retailer Awareness

Retailers develop equity by marketing the retail store as a brand (Grewal et al., 2004; Dawson, 2006) and customers tend to consider the retailer itself as the brand, they form awareness and associations with that retailer (Choi & Huddleston, 2014). Retailer awareness and association can affect a consumer’s choice of a retailer (Arnett et al., 2003) and results in loyalty (Choi & Huddleston, 2014). Mirroring Aaker (1991) on brand awareness, Pappu and Quester (2006) defines retailer awareness as “the consumer’s ability to recognize or recall a retailer”. This is in line with the notion that recognition and recall of the retailer is stronger when the retailer awareness is established in consumers’ minds (Choi & Huddleston, 2014).

Categorization theory suggests that retailer names are rooted in the cognitive structure of typical consumers (Pappu & Quester 2008) and help customers recall the retailer or products related to the retailer more easily.
Consumers’ awareness of a specific retailer as a member of certain retailer category, is similar to Yoo and Donthu’s (2001) brand awareness and Arnett et al.’s (2003) name awareness (Pappu & Quester, 2006). High level of awareness helps in decreasing vulnerability to competitive marketing actions (Keller, 1993; Wei et al., 2009). Awareness heuristic is particularly important when the customer visits the retail store for the first time (Roy Chowdhury, 2009) and when treated as an independent dimension, awareness becomes an antecedent to retailer brand equity (Deepa & Chitramani, 2016).

2.1.2 Retailer Associations

When consumers are exposed to a set of retail stores, brand awareness would act as a differential factor in getting the consumer to the store. However, after the consumer is exposed to the store, the consumer forms store brand associations, which would then act in conjunction to the awareness factor in creating the retailer equity (Roy Chowdhury, 2009).

Retailer association is the result of marketing actions (Keller, 2001) through which retailers can differentiate them from competitors. The hosts of possible unique characteristics that a retailer attaches to the brands (can build in its brand) will help the consumer to identify and form unique associations with the specific retailer. The value of a retailer name is, in part, based on the specific associations linked to it (Aaker, 1991; Keller, 1998).

Brand associations held in consumer memory include perceptions of brand quality and attitudes toward the brand (Aaker, 1991, 1996; Keller, 1993). Retailer associations have been studied across the multitude of factors that influence overall image (Steenkamp & Wedel, 1991; Chowdhury, Reardon & Srivastava, 1998). Lindquist (1974) and Mazursky and Jacoby (1986) categorized the attributes as location, merchandise, service and store atmosphere related dimensions.
Retailer associations have both direct and indirect influence on retailer equity. Creating unique primary and secondary associations with the store evolves as overall image which forms the basis for retailer equity (Ailawadi & Keller, 2004; Hartman & Spiro, 2005). Primary associations are directly linked to the store name (atmosphere, customer service, or location) and secondary associations (brand that the store carries, location and generic store category) are indirectly linked to store name through some other node in the customer’s knowledge schema (Keller, 1993).

The shopping experience plays a major role in the formation of the brand associations. It includes consumer interaction with the store’s physical environment, its employees, and its offerings (Hui & Bateson, 1991; Ofir & Simonson, 2001). Retailers create their brand in different ways by attaching unique associations to the quality of their service, through their product assortment and merchandising, pricing and credit policy (Krishnan, 1996; Ailawadi & Keller, 2004). In the retailing context, it is likely that formation of favorable associations about the retailer will lead to a favorable retailer image (Arnett et al., 2003) while unfavorable associations will be transferred to the entire retailer brand (Roy Chowdhury, 2009).

Pappu and Quester (2006) define retailer associations as “anything linked to the memory of a retailer”. In general, retailer images are formed as a set of associations in customers’ minds (Pappu & Quester 2006). Consumer associations of retailer attributes, reputation and image influences consumers' choice of the retailer (Choi & Huddleston, 2014).

**2.1.3 Retailer Perceived Quality**

Retailer perceived quality refers to the consumer’s judgment of what he or she receives and the retailer’s overall excellence (Zeithaml, 1988; Aaker & Jacobson, 1994; Johnson, Herrmann, & Huber 2006). Perceived quality is a consumer’s subjective evaluation of the retailer rather than the actual or objective quality of the retailer (Zeithaml, 1988; Pappu & Quester 2006;
Perceived quality is a type of association raised to be a separate dimension of a retailer’s equity (Aaker, 1991; Pappu & Quester 2006; Das, 2013). Consumers are willing to pay premium for the high quality brands (Sethuraman & Cole, 1997). Consumers’ positive perception of the quality associated with retailer result in loyalty toward the retailer (Das, 2013; Choi & Huddleston, 2014). Customers’ quality perception also depends on the multiple intrinsic and extrinsic cues. Consumer perception of merchandise quality, price and service is influenced by perceptions of store environment (Baker, Parsuraman, Grewal, & Voss, 2002).

2.1.4 Retailer Loyalty

Customers tend to consider the retailer itself as the brand (Choi & Huddleston, 2014) and retail brand loyalty is linked to the customer’s preferred choice of the store (Doyle & Fenwick, 1974; Burns, 1992). Retailer loyalty is an important component of retailer equity as equity increases with loyalty (Yoo et al., 2000; Arnett et al., 2003; Choi & Huddleston, 2014). Retailer loyalty is measured as consumers’ share of wallet (Corstjens & Lal, 2000; Ailawadi, Pauwels, & Steenkamp, 2008) and is also characterized by attitudes that are positively associated with retailer awareness, retailer association, and perceived quality (Pappu, Quester, & Cooksey, 2005; Choi, & Huddleston, 2014).

Retailer loyalty is considered as a learning process or as a simplified decision-making process of habitual behavior influenced by brand or company (Blackwell, Miniard, & Engel, 2001; Wallace et al., 2004; Swoboda et al., 2007). In the literature, loyalty is viewed and defined from two perspectives: behavioural (Oliver, 1997; Bloemer & de Ruyter, 1998; Bloemer & Odekerken-Schroder, 2002) and attitudinal (Yoo & Donthu, 2001; Chaudhuri & Holbrook, 2001; Yang & Peterson, 2004).
Behavioural indicators are external results of a dynamic, internal process while attitudinal indicators are affective component of attitudes influenced by situational variables (Oliver, 1999). Researchers suggested that loyalty measurement should include both behavioral and attitudinal measures (Day, 1969; Dick & Basu, 1994; Yi & Jeon, 2003; Omar, Aziz & Nazri, 2011).

Adopting Yoo and Donthu (2001), and in line with Javalgi and Moberg (1997)’s latent loyalty, this research, conceptualizes retailer loyalty as retailer being primary choice for intended repeat purchases. The competitive retail environment demands closer attention to the retailer loyalty and related issues as antecedents to loyalty while profitability as the outcome (Grewal et al., 2004). Retail outlets should ensure a certain share of the catchment as a continued loyal customer base (Roy Chowdhury, 2009).

2.2 Retail Relationships

Retail relationships refer to the efforts of a retailer to establish and maintain long-term bonds with customers (Beatty et al., 1996; Macintosh & Lockshin, 1997; Keeling et al, 2013). The shift towards retail relationships emphasizes on increased sales and reduced brand switching (Berry & Gresham, 1986; Bendapudi & Berry, 1997; Noordhoff et al., 2004). Escalating consumer demands for value and the need to develop customer loyalty have fuelled retail relationships (Davis, 1997; Wulf & Odekerken-Schröder, 2003; Ibrahim & Najjar, 2008). Retailers have to build emotional connections to induce (Bendapudi & Berry 1997; Noordhoff et al., 2004) repurchase of the retail brand over the lifetime (Deepa & Chitramani, 2016).

Relationship marketing helps to understand the customers better and to meet and exceed their expectations and prevent them from switching to other retailers (Dibb & Meadows, 2001; Chiu et al., 2005; Adjei, Griffith &
Noble, 2009). Relationship marketing models identified trust and commitment as key mediating variables with relational bonds as antecedents and loyalty as the outcome (Morgan & Hunt, 1994; Macintosh & Lockshin, 1997; Fournier, 1998; Harris & Goode, 2004; Fullerton, 2005; Hartman & Spiro, 2005; Rocereto & Mosca, 2012)

The importance of relationship marketing research in a retail setting is generally acknowledged (Palmer, 2002; Odekerken-Schröder, et al., 2003) and it has strong theoretical base in industrial and channel marketing (Doney & Cannon 1997). However, systematic empirical research on relationship marketing in retail and in consumer environment is practically lacking (Beatty et al., 1996; Fournier, 1998; Singh & Sirdeshmukh, 2000; Too et al., 2001; Wang, Liang & Wu, 2006; Ruiz-Molina, Gil-Saura & Berenguer-Contrí, 2009; Mårtensson & Neij, 2013) and is at its infancy. Previous research on relationship marketing focused on seller’s perspective (Sheth & Parvatiyar, 1995) while the future avenue lies on the consumer’s side of the retailer-consumer dyad (Gruen, 1995; Gwinner et al., 1998; Naidu et al., 1999).

Customer relationships have to be nurtured as loyal customers are profitable than brand switchers and new customers (Page, Pitt & Berthon, 1996; Day, 2000; Lin, Weng, & Hsieh, 2003) thereby increasing retailer equity of the potential customers. Relational investment is a strategy that organisations can use to strengthen relationships (Wu, Huang, Tsai, & Chen, 2013). Empirical research focusing on relational benefits and bonding strategies are relatively sparse (Dorsch, Swanson & Kelley, 1998; Gwinner et al., 1998; Yau et al., 2000; Wulf et al., 2001; Lin et al., 2003; Bansod, 2011).

Customers’ positive perception of retailers’ investment in relationships creates bonds that will lead to relationship quality (Smith & Barclay, 1997; Hart & Johnson, 1999; Wulf et al., 2001; Palmatier et al., 2006). Customers’ willingness to engage in relationships differs across retailers of
different product categories (Bendapudi & Berry 1997). This research considered the relational bonds, relationship quality and consumer relationship proneness to identify the effectiveness of relationship efforts of retailers and its impact on retailer equity.

2.2.1 Relational Bonds

In retailing, intense competition and need for repeat business forces firms to shift their focus on customer knowledge and long term relationships (Peter & Olson, 1994; Gengler & Leszczyc, 1997). Relationship marketing tactics are vital as consumer emphasize on the quality of the interactions and retailers take advantage to detect purchase patterns and apply the knowledge to build enduring relationships (Crosby, Evans, and Cowles 1990; Dorsch et al., 1998; Sweeney, Soutar, & Johnson 1999).

The cornerstone of relationship marketing is ‘relationships’, which is the formation of “bonds” between the company and customers (Roberts et al., 2003; Chiu et al., 2005). Retail stores are implementing relationship building programs and developing interpersonal relationships (Macintosh & Lockshin, 1997; Guenzi & Pelloni, 2004) with focus on value creation and value sharing across partners to enhance store loyalty (Zimmerman, 1992; Anderson, 1995; Payne et al., 1995; Wilson, 1995; Sharma & Sheth, 1997).

Retailers’ investment of time, efforts, resources and customers favorable impressions create psychological bonds (Smith & Barclay, 1997; Hart & Johnson, 1999; Lin et al., 2003; Wang et al., 2006). Customers enter into relationships with stores to enjoy relationship benefits. Relational bonds create benefits by simplifying customer decision making, reducing risk and protect the firm from competition (Dwyer, Schurr & Oh, 1987; Gruen, 1995; Sheth & Parvatiyar, 1995; Christy, Oliver & Penn, 1996; Wathne, Biong & Heidi, 2001).

Researchers named relationship efforts as bonds, ties, benefits, tactics, instruments or investments (Berry, 1995; Williams et al., 1998; Armstrong...
Researchers initially conceptualized and widely discussed two types of bonds—structural and social (Wilson, 1995; Yau et al., 2000; Vierra & Ennew, 2004; Sin et al., 2006) and later extended it to functional bonds (Smith, 1998). Researches on relational bonds are limited (Palmer, 2002).

Berry and Parasuraman (1991) offers a more complete and integrative classification of relationship marketing tactics which is primarily used in retail field as financial, social and structural bonds and this research has adopted the same. Relational bonds are defined as the investments by firms in the form of relational benefits to bind the customers with firm and measured across financial, social and structural bonds (Berry & Parasuraman, 1991; Smith, 1998; Lin et al., 2003; Wang et al., 2006) in this research.

2.2.1.1 Financial Bonds

Financial bonds focus on the price incentives that add value to customer experience (Berry & Parasuraman, 1991; Berry, 1995; Chiu et al., 2005; Palmatier, 2008; Ibrahim & Najjar, 2008; Baron et al., 2012). However, price incentives are easily imitated by the competitors (Day & Wensley, 1988; Berry & Parasuraman, 1991; Palmatier, 2008), and seldom offer long-term competitive advantage. Loyalty programmes adopted by the Indian retailers are often at this lowest level of relational bonds. Palmatier (2008) states that economic benefits are major focus of financial programs which are known as financial bonds.

The price incentives of the financial bonds attract the customers as saving money is one motivation for customer to endorse a relationship with the retailer (Berry, 1995; Peterson, 1995; Peltier & Westfall, 2000; Lin et al., 2003; Hsieh et al., 2005; Liang & Wang, 2005; Wang et al., 2006;
Shammout, 2007). Financial bonds are the defensive action against competition while in contrast social and structural bonds represent offensive weapons of the firms to tackle the competition. Financial bonds though imitable by competitors need to be considered in addition to other relational bonds such as social and structural, as it creates retailer image, encourages consumer’s consumption, and acquires loyalty (Smith, 1998; Lin et al., 2003; Hsieh et al., 2005; Liang & Wang, 2005; Hamilton & Chernev, 2013).

2.2.1.2 Social Bonds

The relationship marketing continuum includes three levels and the second level focuses on social interactions between the customers and the suppliers. Philip Kotler says that “It is no longer enough to satisfy customers”. Thus retailers cannot win over their competitors through their loyalty programmes alone which can be copied easily by the competitors. Social bonding tactics which are unidirectional and interactive are created based on customer needs, customization of services and unexpected service offerings (Berry, 1995; Boedeker, 1997; Williams et al., 1998; Chiu et al., 2005; Wang et al., 2006).

Social engagements or frequent, customized communication that recognizes buyer’s special status are adopted in social bonding (Palmatier, 2008). Unlike financial bonding which focuses on price, social bonds developed by the retailers with the customers are difficult to duplicate. The customers who are engaged in social bonding with particular retailer may ignore competitive offers and do repeat sales and recommendations (Wulf, et al., 2001). This type of special treatment to customers influence the customer–retailer relationships positively (Hennig-Thurau, Gwinner & Gremler, 2002; Bolton, Smith & Wagner, 2003; Palmatier, 2008).
Appropriate mix of Relationship Marketing Instruments (RMIs) which include financial bonding through tangible rewards and social bonding through personalized services will be suitable for challenging retail environment (Verhoef, 2003; Ibrahim & Najjar, 2008; Wel & Bojei, 2009). Social bonding tactics focus on service aspects of familiarity, friendship (Berry, 1995; Wilson, 1995), social support, self-disclosure (Chiu et al., 2005; Ibrahim & Najjar, 2008; Lam, Burton & Lo, 2009), identifications (Smith, 1998) or any interpersonal interaction (Berry, 1995; Price & Arnold, 1999). The outcomes of socializing tactics are stable relationships and enhanced relationship quality (Liang & Wang, 2005, 2008). Personnel can use these kinds of socializing tactics to build stable relationship and promote relationship quality further (Liang & Wang, 2008).

Social bonding serves as a motivation to carry on a relationship (Lawler & Yoon, 1993). From customer viewpoint, social bonding offers psychosocial benefit and (Beatty et al., 1996; Gwinner et al., 1998; Williams et al., 1998; Reynolds & Beatty, 1999) hedonic value that reflects the experiential, emotional, and affective value of consumption (Bellenger et al., 1976; Chandon et al., 2000). Retailers can strengthen the feeling of association and influence the emotions and affective component of customer attitude by initiating social bonds (Edwards, 1990; Chandon et al., 2000; Chiu, 2002).

Social and personal bonds evolve through initial communications that leads to information exchange and builds trust. Social dimensions convert the relationships from passive to active form (Donaldson & O’Toole, 2002; Gorman, 2010). Social bonding tactics cannot swap price attraction but can be bundled with financial bonds to maintain relationships and enhance customer satisfaction (Liang & Wang, 2008). Retail firms can provide financial incentives to lure the customers and gain a short term return or they can put in much more time and effort on building an interpersonal
relationship and implementing a structural program which results in long-term benefit to the firms.

### 2.2.1.3 Structural Bonds

Structural bonds can consolidate customer relationships by adding structural bridges that builds feeling of empowerment and psychological control in retail-customer relationships (Berry & Parasuraman, 1991; Berry, 1995; Peltier & Westfall, 2000). Structural bonds that offer value added benefits by integrated services through their business partners, innovative channels, technology supported databases and information exchanges are expensive and unique (Berry, 1995; Dibb & Meadows, 2001; Baron et al., 2012).

Investments in structural programs that increase customer efficiency, productivity and customer benefits (Palmatier, 2008) increases customer switching costs but binds customer – seller relationships (Berry & Parasuraman, 1991; Peltier & Westfall, 2000). Customers take full advantage of the value-enhancing linkages by increasing their business with the seller (Berry, 1995; Palmatier, 2008). These interdependent partnerships are the focus of the third level of relational program or investments.

Several authors assume that the third level of relationship marketing belongs to service delivery system and not to relationship building skills (Shammout, 2007). However, other authors (Berry & Parasuraman, 1991; Berry, 1995; Lin et al., 2003; Hsieh et al., 2005; Liang & Wang, 2005; Wang et al., 2006; Ibrahim & Najjar, 2008) suggest that the firms can use three types of relational bonds such as financial, social, and structural to build relationships with customers. Structural bond influences customers’ perceptions of utilitarian value and relationship quality more significantly which in turn influences customer loyalty (Chandon et al., 2000; Chaudhuri & Holbrook, 2001; Chiu et al., 2005; Wang et al., 2006).
2.2.2 Relationship Quality

Relationship quality is an assessment of relationship closeness or relationship strength, which is a high order construct that affects customer loyalty (Crosby et al., 1990; Garbarino & Johnson, 1999; Hennig-Thurau et al., 2002; Palmatier et al., 2006). Relationship quality can be measured across service firms and their customers (Roberts et al., 2003), manufacturers/suppliers and distributors/resellers (Kumar et al., 1995; Dorsch et al., 1998) and salespeople and customers (Bejou et al., 1996). Relationship quality is a multidimensional construct consisting of several distinct though related dimensions (Crosby et al., 1990; Kumar et al., 1995; Dorsch et al., 1998; Hennig-Thurau et al., 2002; Roberts et al., 2003). Prior conceptualizations emphasize relationship satisfaction, trust, and commitment as indicators of relationship quality (Crosby et al., 1990; Gronroos, 1990; Bitner, 1995; Kumar et al., 1995; Garbarino & Johnson, 1999; Wulf et al., 2001; Hennig-Thurau et al., 2002; Sirdeshmukh, Singh & Sabol, 2002; Roberts et al., 2003; Palmatier et al., 2006; Adjei et al., 2009).

There are studies which investigate the individual effects of relationship quality variables—trust (Bitner, 1995; Doney & Cannon, 1997; Ulaga & Eggert, 2006; Chen et al., 2009; Teo et al., 2009), commitment (Anderson & Weitz, 1992; Morgan & Hunt, 1994; Garbarino & Johnson, 1999; Gruen, Summers, and Acito, 2000; Jap & Ganesan, 2000; Gustafsson et al., 2005), and satisfaction (Hewett, Money, & Sharma, 2002; Macintosh, 2007; Ural, 2009) individually. Few researchers considered relationship satisfaction and trust as the indicators of relationship quality (Dwyer et al., 1987; Crosby et al., 1990; Hsieh & Hliang, 2004; Lages et al., 2005) while others added relationship commitment as a dimension (Hennig-Thurau & Klee, 1997; Leuthesser, 1997; Dorsch et al., 1998; Wulf et al., 2001).

Satisfaction is the consumers’ affective emotional state resulting from the evaluation of interactions (Crosby et al., 1990; Gustafsson et al., 2005). Trust is the belief that the service provider is honest and benevolent, while
commitment is the consumers’ effort to maintain a relationship (Morgan & Hunt, 1994; Gustafsson et al., 2005). The commonality among the different dimensions led to the integration of the three quality measures into a unique multidimensional scale (Dwyer & Oh, 1987; Crosby et al., 1990; Kumar et al., 1995; Wulf et al., 2001; Lages et al., 2005; Palmatier et al., 2006). Relationship quality indicates customer perceptions of relationship value based on need fulfillment, customer satisfaction, trust and commitment (Henning-Thurau & Klee, 1997; Macintosh, 2007).

2.2.2.1 Relationship Satisfaction

Satisfaction, a measure of consumer attitude is a tool to manage customer relationships (Gengler & Leszczyc, 1997). Relationship satisfaction is defined as a consumer’s affective state resulting from an overall appraisal of his or her relationship with a retailer (Anderson & Narus, 1990; Geyskens et al., 1999; Lages et al., 2005; Liang & Wang, 2006).

Satisfaction is the cognitive and affective evaluation of personal experience across various touch points and interactions with the firm (Roberts et al., 2003). Satisfied buyers are knowledgeable about the selling firm and have positive perceptions about relationship quality and hence relationship satisfaction is a key dimension of relationship quality (Dorsch et al., 1998; Lages et al., 2005).

Satisfaction which is an outcome of retailer investment in relational bonding tactics (Smith & Barclay, 1997) is considered important by customers who intend to develop relationships (Storbacka, Strandvik, & Gronroos, 1994; Odekerken-Schröder et al., 2003). But this remains as a construct that has not been addressed by marketing scholars (Andaleeb, 1996; Hong-Youl et al., 2010).

The degree of satisfaction varies across 1. relational bonding tactics (De Young, 1996; Wulf et al., 2001; Odekerken-Schröder et al., 2003; Liang & Wang, 2006), 2. meeting and exceeding performance goals by channel

Relationship satisfaction includes satisfaction of the association, customers’ perception of retailers’ efforts towards relationship and general satisfaction with the retailer relationship (Lages et al., 2005). Satisfaction with a relationship is associated with trust and commitment (Caceres & Paparoidamis, 2007).

2.2.2.2 Trust

Trust is a belief and confidence that a promise is reliable and will be fulfilled by the exchange partner (Crosby et al., 1990; Moorman et al., 1992; Morgan & Hunt, 1994; Wong & Sohal, 2002). In consumer-oriented marketing, trust develops and determines the strength of relationship quality (Dwyer et al., 1987; Mohr & Spekman, 1994; Morgan & Hunt, 1994; Berry, 1995; Doney & Cannon, 1997; Calonius, 1998; Garbarino & Johnson, 1999).

The purchase intention of low relational customers are driven by overall satisfaction while that of high relational customers are driven by trust and commitment (Garbarino & Johnson, 1999). Trust is linked to positive outcomes of strong customer relationships, loyalty and sustainable market share (Sirdeshmukh et al., 2002; Wong & Sohal, 2002).

Trust is associated with retailers’ integrity and reliability and measured across qualities of consistency, competence, honesty, fairness, responsibility, helpfulness, and benevolence (Foster & Cadogan, 2000; Klemz & Boshoff, 2001; Sirdeshmukh et al., 2002; Roberts et al., 2003). It is expressed as the feeling of security, confidence, reliance, dependability in the retailers’ offerings and the retailers’ power, competence and character (Morgan & Hunt 1994; Callaghan et al, 1995; Garbarino & Johnson, 1999; Bloemer & Odekerken-Schroder, 2002; Delgado-Ballester & Munuera-Aleman, 2001; Dixon et al., 2005; Olotu et al., 2010).
Trust is proved to be a 1. determinant or antecedent or moderator of relationship quality (Dwayer et al., 1987; Anderson & Narus, 1990; Mohr & Nevin, 1990; Moorman et al., 1992; Morgan & Hunt, 1994; Fournier, 1998), 2. antecedent of satisfaction and loyalty (Morgan & Hunt, 1994) and 3. an outcome of collaboration (Nielsen, 2004).

Trust builds relationships (firm-retailer; customer-brand), creates loyalty and enhances consumer commitment (Anderson & Narus, 1990; Crosby et al., 1990; Dick & Basu, 1994; Morgan & Hunt, 1994; Gremler & Brown, 1996; Geyskens et al., 1998; Gwinner et al., 1998; Tajem & Thirkell, 1999; Garbarino & Johnson, 1999; Blackston, 2000; Taylor et al., 2004). Consumers who trust retailers benefit from being loyal and firms enhance the objective performance (Crosby et al., 1990; Dick & Basu, 1994; Morgan & Hunt 1994; Macintosh & Lockshin, 1997; Gwinner et al., 1998; Garbarino & Johnson, 1999; Sin et al., 2005). Relationship efforts are evidences that develops trust (Anderson & Narus, 1990; Ganesan, 1994; Gundlach, Achrol & Mentzer, 1995; Bhattacharya, Rao & Glynn, 1995; Bendapudi & Berry, 1997; Doney & Cannon, 1997; Gwinner et al., 1998).

2.2.2.3 Relational Commitment

Commitment is the enduring desire to maintain relationships in long run based on perceived performance and interactions (Dwyer et al., 1987; Morgan & Hunt, 1994; Geyskens, 1998; Hausman, 2001). Commitment impacts loyalty and induces frequency of repeat purchases (Dwyer et al., 1987; Morgan & Hunt, 1994; Bloemer & Kasper, 1995; Garbarino & Johnson, 1999; Rahman Bin Abdullah et al., 2012). Commitment entails customers' willingness and binding to his/her retailer choice (Morgan & Hunt, 1994; Bloemer & de Ruyter, 1998; Ryan et al., 1999; Wong & Sohal, 2002; Dixon et al., 2005). Customers who believe that the stores understand and provide offerings of value and satisfaction, feel more
committed in maintaining relationship (Ryan et al., 1999; Wong & Sohal, 2002; Dixon et al., 2005).

Commitment emerged when customers think that the retailer relationships have to be sustaining for a long term (Geyskens et al., 1996). Consumers commitment categorized as affective commitment (want), calculative commitment (need) and normative / temporal commitment (suppose to do so) (Meyer & Allen, 1991; Gundlach et al., 1995). The three elements of commitment exhibit different levels of loyalty of the customer with the store (Dixon et al., 2005). A customer may be committed to the store without buying from the store just by recommending the store to others while Macintosh and Lockshin (1997) and Garbarino and Johnson (1999) proved the linkage of commitment to future purchases and patronage. In a nutshell, commitment is a characteristic and willingness of a customer to remain with the retailers (Moorman et al., 1992; Hennig-Thurau & Klee, 1997; Mactintosh & Lockshin, 1997, Wulf et al., 2001; Odekerken-Schroder et al., 2003).

2.3 Store Image

The retail image that influences shopping behavior is shaped by the combination of cognitive and affective factors (Lindquist, 1974; Zimmer & Golden, 1988; Finn & Louviere, 1996). It influences consumer decisions and retailer decisions (Oppewal & Timmermans, 1997; Schiffman & Kanuk, 2000; Di, 2007; Giraldi, Spinelli & Campomar, 2010). Store image is defined as a complex combination of functional qualities and an aura of psychological attributes (Martineau, 1958; Lindquist, 1974; Hu, 2011).

Retail brands are service brands with stores as the primary products (Porter & Claycomb 1997; Burt, 2000; Burt & Sparks, 2002; Burt & Mavrommatis, 2006; Floor, 2006, 2007; Bansod, 2011). When the customers consider brands in retailing, they generally refer to a specific company or a store (Burt & Davies, 2010). Store is the place where retailer
creates customer experiences and is a unique element in retail branding (Martineau, 1958; Kasulis & Lusch, 1981; Porter & Claycomb, 1997; Ailawadi & Keller, 2004; Floor, 2006; Burt & Davies, 2010; Giraldi et al., 2010).

Store image can be taken as important antecedents of retailer equity which influences the retailers’ loyalty which is a major component of retailer equity (Ailawadi & Keller, 2004; Hartman & Spiro, 2005; Perumal, 2005; Decarlo et al., 2007; Jinfeng & Zhilong, 2009). Store related factors provide retailers a big potential to enhance the brand equity (Floor, 2007; Yu et al., 2008) and is also the source of competitive advantage (Bitner, 1992; Burt & Carralero-Encinas, 2000).

Earlier research on store image literature highlights that store image act as predictors of retailer choice (Grewal et al., 1998), store and product quality (Baker et al., 1994; Darden & Babin, 1994), store satisfaction (Bloemer & de Ruyter, 1998) and competitive positioning (Burt & Carralero-Encinas, 2000). Store image is a necessary but an insufficient construct to understand store performance and consumer behavior (Hartman & Spiro, 2005). However its role in the formation of retailer equity does not have enough empirical evidences.

Two theories exist regarding the conceptualization of store image, the attribute-based view focuses on store image dimensions while the holistic view emphasizes the total impression a store makes on its customers’ minds (Ditcher, 1985). Both views of conceptualization is supported by Zimmer and Golden (1988) and Hu (2011).

Store image is the consumer’s perception of their experiences with the store assessed on multi-attribute utility function and the different salient attributes of merchandise, service, price, atmosphere, promotions and people (McGoldrick, 1990; Bloemer & de Ruyter, 1998; Sheth, Mittal & Newman, 2001; Bloemer & Odékerken-Schröder, 2002). Store image is a
set of brand associations related to the commercial, social and strategic aspects of the store (Beristain & Zorrilla, 2011).

The holistic construct of store image is derived from both tangible and intangible elements and its interactions based on consumer knowledge and experience (Burt & Carralero-Encinas, 2000; Burt, Johansson, & Thelander, 2005). It is the total impression which is stored in the consumer memory as a gestalt of perceived attributes associated with the store (Hartman & Spiro, 2005).

Satisfaction and loyalty of a customer in retail clothing stores are not solely dependent on the core product (apparel), but on the positive retail image in its consumer mind (Floor, 2007).

Store image changes as shopping behavior and competition changes (Peter & Olson, 2005). The importance of various store image attributes varies across store formats, customer base and retail sectors (Kim & Kang, 1995; Birtwistle & Shearer, 2001). However, strong favorable primary and secondary associations led to customer based equity. Store atmosphere, customer service and location of a specific store are the primary associations while secondary associations are the attitudes and perceptions about what a store carries, general area in which the store is physically located, or the generic store category and retailing in general (Hartman & Spiro, 2005).

Researchers have studied a multitude of retailer attributes that influence store image (James et al., 1976; Ailawadi & Keller, 2004; Peter & Olson, 2005). They adopt either Martineau’s (1958) functional and psychological factors of store or the Lindquist (1974) and Mazursky and Jacoby’s (1986) dimensions of the store. They suggest that the store image is to be measured across the traditional attributes namely merchandise, atmosphere, appearance, convenience, salesmanship/personnel service, perceived price, promotion, physical/store facilities, and institutional factors
(Manolis et al., 1994; Jinfeng & Zhilong, 2009; Seock, 2009) and also include contemporary attributes namely functional, experiential, or symbolic benefits (Keller, 1993; Hartman & Spiro, 2005; Yoo & Chang, 2005), value, clientele (Reardon, Miller & Coe, 2011) and post transaction satisfaction (Shen, Tan & Xie, 2000; Visser et al., 2006; Di, 2007; Bennur & Jin, 2012).


**2.3.1 Merchandise**

Merchandising refers to the variety of products on sale and their display which stimulates the interest and motivates the customers to purchase. The merchandise offered creates retailer differentiation, image and patronage (Areni, Sparks & Dunne, 1996; Porter & Claycomb, 1997; Coughlan et al., 2001; Ailawadi & Keller, 2004; Chernev, 2006; Pan & Zinkhan, 2006; Sonnenberg & Erasmus, 2008). Merchandise quality and assortment are important components of store image in retail industry (Lindquist, 1974; Mazursky & Jacoby, 1986; Baker et al., 1994; Reardon et al., 1995; Samli et al., 1998; Baker et al., 2002; Bansod, 2011).

The brand strength and selection of merchandise ensures favorable store image (Porter & Claycomb, 1997; Grewal et al., 1998; Sheth, Mittal & Newman, 2001; Giraldi, Spinelli & Campomar, 2010). Merchandise quality has both direct and indirect effect on perceived value, purchase intentions and store patronage (Kerin et al., 1992; Sirohi et al., 1998; Baker et al., 2002) as it is an important value driver closer to the ‘tangible-dominant’ end of Shostack’s (1977) continuum (Mazursky & Jacoby, 1986; Grewal et
Merchandise quality and selection are important store attributes when out of stock situations have negative effect on consumer decision making in apparel retail sectors (Moore & Carpenter, 2006; Kwon & Lennon, 2011; Ramzy, Ogden & Ogden, 2011). Manufacturer brands provide cue for evaluating merchandise quality and is a customer pull factor (Mazursky & Jacoby, 1986). Manufacturer brand image and equity contribute to retailer brand image and equity and hence retailers promote manufacturer brands as ingredient brands. The brand architecture strategy results in favorable positioning, loyalty and retailer equity (Ailawadi & Keller, 2004; Di, 2007). Assortment includes all the variety of goods and services and the number of different items in a merchandise category (Gómez et al., 2004; Levy & Weitz, 2004). Variety and consistency in assortments is a retailer commitment valued by the consumer leading to one stop shopping convenience and patronage (Hoch, Bradlow & Wansink, 1999; Krishnan, Koelemeijer & Rao, 2002; Amine & Cadenat, 2003; Ailawadi & Keller, 2004; Pan & Zinkhan, 2006; Di, 2007; Sonnenberg & Erasmus, 2008).

2.3.2 Atmosphere

Atmosphere and appearance are some of the attributes traditionally associated with store image measurement (Jinfeng & Zhihong, 2009; Wu & Tian, 2009). Atmosphere is an important dimension as it influences customers’ total perception of the store (Sheth, Mittal & Newman, 2001; Sheth & Mittal, 2004; Hu, 2011). Retailers create unique and memorable shopping atmosphere due to their ability to control the situational influences and location of influence inside the stores (Peter & Olson, 2005; Yalçın et al., 2009; Aspfors, 2010). Pleasant store atmosphere and positioning attracts consumer attention and thus increasing the time and money that a consumer spends while shopping (Engel, Blackwell & Miniard, 1995; Giraldi et al., 2010).
The store atmosphere is not synonymous to store image but it is a determinant of store image and store positioning (Peter & Olson, 2005; Engel, Blackwell & Miniard, 1995; Aspfors, 2010; Giraldi et al., 2010). The psychological feeling that the retailer develops within the consumer while visiting the store is defined as store atmosphere (Parente, 2000). It represents the physical ambience of a store environment that influences the customer senses and creates unique store image (Baker et al., 1994; Donovan et al., 1994; Barnes & Ward, 1995; Grewal et al., 2003; Ailawadi & Keller, 2004; Pan & Zinkhan, 2006).

Retailers started to realize the importance of environment within a retail setting and several researchers started studying the effects of physical environment on consumer behavior (Zimmer & Golden, 1988; Baker et al., 1992, 1994; McGoldrick, 1990; Marsh, 1999; Birtwistle, Clarke & Freathy, 1999; Turley & Milliman, 2000; Davies & Ward, 2002).

Researches in retail atmosphere provided further investigations into influence of the store environment on the consumers (Joyce & Lambert, 1996; Turley & Milliman, 2000; Turley & Chabat, 2002; Bansod, 2011).

The recent retail renovation trends and development of shopping malls are all due to the importance given to store atmosphere (Li et al., 2004; Hu, 2011). Customers choose retail outlet based on the spaciousness and layout of the retail outlet (Powers, 2005). Physical environment of the store induces positive customer emotions and minimizes negative moods (Bellizzi & Kite, 1992; Bruner, 1990; Spangenberg, Crowley & Henderson, 1996; Di, 2007). Customers’ perception of the store is based on both physical and social cues of the store environment, consolidating the atmospherics variables into five categories: external, general interior, layout and design, point-of-purchase and decoration, and human from the review (Turley & Milliman, 2000; Kent & Kirby, 2009; Hu, 2011).
2.3.3 Facilities

Store facilities are an important driver of store image and store equity (Allaway et al., 2011; Takahashi, 2014) which includes the layout and convenience. Apart from store atmosphere, physical facilities and shopping convenience are the customer expected store attributes as one-stop shopping convenience is becoming increasingly important (Shen, Tan & Xie, 2000; Jin & Kim, 2003; Ailawadi & Keller, 2004, Pan & Zinkman, 2006; Sonnenberg & Erasmus, 2008; Bennur & Jin, 2012).

Convenient location and facilities are included in the store image concept, which are explained (Yavas, 2003; Yoo & Chang, 2005; Peter & Olson, 2005; Cemberci et al., 2013) including 1. Convenience of shopping attribute- easy movement, accessibility to wanted goods, and possibility of blanket purchase, 2. Convenience of location attributes- availability, ease of entrance and exit to parking lot, connection to public transportation, proximity to home or working place, shopping bus schedule 3. Store facility attributes – accessibility to escalator, elevator, baby car, well-assorted rest area, clean in and out facilities, overall modern facilities (Dabholkar et al., 1996; Ramzy, Ogden & Ogden, 2011; Ramayah & Leen, 2013).

Location convenience is considered as one of the important store facilities which is the store image driver and will influence the equity of the retail brands (Peter & Olson, 1990; O’Connor, 1990; Terblanché, 1998; Jinfeng & Zhilong, 2009; Allaway et al., 2011; Takahashi, 2014). Along with merchandise, service and clientele (Bennur & Jin, 2012; Visser et al., 2006), parking facilities, check-out speed and physical location are considered crucial for consumers while evaluating store for shopping decisions (Pan & Zinkhan, 2006; Di, 2007).

2.3.4 Clientele

Clientele is the social aspect which has proved to influence participants’ evaluation of the retailer (Ailawadi & Keller, 2004; Pan & Zinkhan, 2006;
Social class, self-image are subdimensions of clientele and play an important role in marketing. Customers choose a particular store which fits their self-image or their desired self-image (Newman & Cullen, 2002) based on social factors. Hence, the dimensions that blend self-image and store image are important store attributes. The higher the congruence between the self-image and store image, the higher the store loyalty (Aspfors, 2010). In apparel retailing, store attributes that matched individuals’ shopping to satisfy the social need of status orientation is emphasized by Erdem et al. (1999) and Jin & Kim (2003). Retail store image that reflects consumer self-image and social needs influences consumer shopping decisions (Peterson, 1981). Consumers look for information about the store from various sources. Grewal et al. (1998) predicted that store reputation will be an important factor in retailers’ success.

### 2.3.5 Price and Promotions

Value is the proposition of perceived functional and emotional benefits and costs. Value perceptions indicate quality, status and image of goods and have an effect on consumer behavior and purchase intentions (Dodds, Monroe & Grewal, 1991; Grewal et al., 1998; Baker et al., 2002; Vahie & Paswan, 2006). The multi dimensionality of price includes price perceptibility, price process ability and price evaluation which influence the price-level image, refers to how cheap or expensive customers perceive the store, value for money depends on what customers perceive they get in return for the prices they pay (Grewal et al., 1998; Sirohi et al., 1998; Matzler et al., 2006; Zielke, 2006; Bansod, 2011). Retailer position their price performance dimension as price level images referred to as perceived value (Zimmer & Golden, 1988; Bick, 2009).

Store image and the retail operational elements help retailers to differentiate and position their outlets (Wortzel 1987; Dabholkar et al., 1996; Shen, Tan & Xie, 2000; Bennur & Jin, 2012; Ramayah & Leen,
2013). The in-store communications such as store design, visual merchandising, employees and out-of-store communications such as advertising, direct marketing, store exterior create a demand pull (Newman & Cullen, 2002; Jin & Kim, 2003; Floor, 2007; Ray & Chiagouris, 2009; Giraldi et al., 2010; Bansod, 2011) and there by determines the store image.

2.3.6 Sales personnel

Retailers create proactive shopping experience with young, knowledgeable, responsive sales personnel (Yalçın et al., 2009). Availability of service personnel, responsiveness to customers, personalization, proactiveness, and loyalty programs are considered as the key elements in forming store image (Grewal et al., 2008). The service contact personnel's characteristics like friendliness, confidence, honesty, expertise and customer knowledge impact customer's impression of store’s merchandise, service quality and relationship quality (Baker et al., 1994; Shamdasani & Balakrisnan, 2000).

2.3.7 Service

Retailers with plethora of product and service types and formats (Grewal & Levy, 2007) face tough competition. In such situation, retailers need to offer services to differentiate them and gain competitive advantage (Parasuraman, Zeithaml & Berry, 1985; Dawkins & Reichheld, 1990; Reichheld & Sasser, 1990; Zeithaml, Parasuraman & Berry, 1990). The role of customer service in the retailing domain represents an important avenue of research (Grewal & Levy, 2007).

Customer service helps retailers in creating unique identity and developing store loyalty and to maintain relationships with customers (Grewal, Krishnan & Lindsey-Mullikin, 2008). Customer service refers to all activities performed by retailers and their personnel to attract, retain, and enhance a customer’s shopping experience (Levy & Weitz, 2007).
Consumers make “conscious decisions about where to shop based on their expectations for good service” (Grannis & Krugman, 2006) and hence excellent customer service increases customers’ switching costs thereby increasing the customer lifecycle (Jin & Kim, 2003; Adjei et al., 2009). Low service levels leading to the return of merchandise neither pleasant nor an easy task for customers and results in negative influence on store image. Credit and exchange policies of the store and the ease with which the stores refund or exchange merchandise are major evaluation criteria under such circumstance (Ramzy et al., 2011). The aspect of policy concerns a set of strategies, procedures and guiding principles that is considered as an important dimension of good customer service (Westbrook, 1981; Mazursky & Jacoby, 1985; Ramayah & Leen, 2013).

2.4 Store Satisfaction

Over the last decade, intensified competition have prompted corporations to focus on knowing their customers better (Peter & Olson, 1994). Quality and value focused consumers expect more from companies. Satisfaction and loyalty are the two wheels of success for any organization (Sivadas & Baker-Prewitt, 2000; Wilson, 2002).

Satisfaction is considered as the antecedent to a firm’s economic performance (Pappu & Quester, 2006) due to its influence on customer retention and loyalty, purchase intentions (Cronin & Taylor, 1992; Bloemer & Kasper, 1995; Sivadas & Baker-Prewitt, 2000) and repeat purchase behaviors (Reichheld & Sasser, 1990; Szymanski & Henard, 2001; Evanschitzky et al., 2008).

Satisfaction traditionally occurs when a brand ‘meets or exceeds expectations’ and is measured as the gap between perceived performances of the product with expectations (Bloemer et al., 1998; Bloemer & de Ruyter, 1998; Dixon, Bridson, Evans & Morrison, 2005).

Yi (1991) addressed the definitions of satisfaction both as an outcome and as a process. The levels at which satisfaction can be measured are:
manufacturer-level (Griffin, 2012), retailer-level (Ewing, 2000) and store-level (Bloemer & de Ruyter, 1998; Bloemer & Odekerken-Schroder, 2002).

Further satisfaction is measured across two dimensions namely 1. service transaction- satisfaction or dissatisfaction derived at every transaction, 2. total service experience – overall satisfaction occurred as accumulated experience of a customer’s expectation, purchase, and consumption (Andreassen 1995; Macintosh & Lockshin, 1997).

2.5 Review Outcome

The review of literature has helped the researcher to identify the constructs and parameters that influence retail competitiveness. The core factor identified is consumer based retailer equity which is determined by retailer awareness, retailer association, retailer perceived quality and retailer loyalty.

Further from the relationship marketing point of view, three constructs relational bonds, relationship quality and consumer relationship proneness are identified and reflecting store as brand that would impact consumer retail equity is identified to be store image and store satisfaction.

Further the review indicated that the constructs and their relationships are studied in isolation but not as integrated models. In short, the review indicated that the constructs and the parameters and their interrelationships need to be established in apparel retail sector.

The general observation and constructs identified were not explored in the traditional apparel retail sector.