CHAPTER II REVIEW OF LITERATURE

The purpose of literature review is multi-fold with three focal issues:

a) To identify gaps in the research in the present literature with respect to variables that contributes to customer satisfaction and in turn to customer loyalty.

b) To understand the relationship between purchase intention, perception, expectation, customer satisfaction and customer loyalty.

c) To explore measurement of relationship between customer satisfaction and customer loyalty.

The literature is scanned over a span of 77 years (1932 to 2009). Forty seven academic journals, other relevant reports and books have been referred. Two hundred and thirty three review of literature were found useful to the research undertaken.

The review of literature is presented in the following sub-headings for clear and easy understanding.

2.1. Factors Influencing the Purchase Decision.

2.2. Perception, Expectation and Satisfaction.

2.3. Consumer Involvement in Purchasing.

2.4. Consumer’s Loyalty.

2.5. Positioning of Brands.
2.1 FACTORS INFLUENCING THE PURCHASE DECISION

The retail market in developed countries of the world was at the mature stage (Berner et. al., 2001). Intense competition and sluggish population growth was motivating leading apparel brands of the world to enter in new markets and attract new customers (Steenkamp and Hofstede, 2002). The emergence of economies particularly India with strong middle class was impelling these apparel firms’ to ensure their presence in such economies (Dickson et. al., 2004).

Economic growth and emerging young customers who have brand and fashion awareness (Morton, 2002) in Asian markets such as China, India, Japan and South Korea have attracted attention from multinational apparel firms Bryck, (2003). The consumers in these countries were witnessing many brands in their market. As a consequence they were more sensitive to brands as to what it offered, what it spoke to them and how it addressed their needs.

The consumer decision to buy a particular brand was effected by different factors. Aside from functional benefits, he/she may choose a particular brand to express his/her personality, social status, affiliation or to fulfill his/her desire for newness (Kim et. al., 2002). Searching for information was a key stage of a consumer’s decision-making process that may include search for internal and external environment.

Internal information would be gathered from past experience or prior exposure to advertisement. External information may be collected from sources such as reference groups (peers, family members) and/or marketplace. Both internal and external information would reduce perceived risk and thus search behavior (Moorthy et. al, 1997). The assessment of an apparel item was an important step in the decision-making process. It included aspects such as the judgment of quality of the item but may also include aesthetics. However, the decisions of a group member regarding products that was low in visibility,
perceived risk, complexity and high in testability was not affected by group influence.

More choices exist for consumers in types of retail concepts, type of store or channel, and specific retailers. The large number of retailers and changes in consumer buying habits has caused the apparel retail market to become over stored, especially the department and specialty channels (Johnson, 2005). More simply, consumer spending was not at the level of demand to support the increasing number of retailers and shopping centers. With the increase in retail store choices, retailer reliance on single product lines and narrow market segmentation led to failure within the industry (Driscoll, 2005). Therefore, the retailer must offer a product that was differentiated from similar products, thus establishing a relative advantage of value to the consumer.

Differentiation was often established through marketing mixes. Many retailers were adding service and segmentation to the traditional product, price, promotion, and placement of the marketing mix (Moore and Fairhurst, 2003). Because of the increase of new products to the apparel market, product differentiation was difficult. Retailers look to other factors within the mix, such as service, to establish competitive advantages. With the increase of competition in the apparel retail market, understanding the retail environment and the influences within the retail environment were becoming more important. In addition to products and retail services, it was important to recognize the human factors within the environment, retail associates and consumers.

According to Blackwell et. al., (2001), purchase decision process, a consumer matched the following evaluative criteria with individual characteristics and purchase characteristics: location, assortment breadth and depth, price, advertising and promotion, POP displays, store personnel, services, customer characteristics, and store atmosphere. The model developed
by them depicted a roadmap of the consumers’ minds through the following seven stages: (1) Need Recognition (2) Search for Information (3) Pre-Purchase Evaluation of Alternatives (4) Purchase (5) Consumption (6) Post-Consumption Evaluation and (7) Divestment. In theory, the sequential stages ending with the purchase outcome and divestment led back to need recognition to purchase.

Within the purchase decision process, there were combinations of factors that influenced consumer decisions: individual characteristics, purchase characteristics, and evaluative criteria. The interactions between individual and purchase characteristics directly influenced the evaluative criteria, as well as the stages within the decision process. In addition, the criteria evaluated by the consumer have a direct relationship to the purchase process stages of retail evaluation, competitor evaluation, and store choice.

There were two human factors present in the purchase decision process. First, the retail associate has a direct effect on the purchase decision as an evaluative criterion, worked closely with the consumer gaining perceptions of consumer’s preferences and attitudes towards purchasing. Second, the consumer, the center of the purchase decision process, formed attitudes and opinions toward the evaluative criteria thus making an informed decision to purchase hoping for the most satisfactory outcome. Both of these human factors, retail associates and consumers, impact the purchase decision environment (Sharma, 2001).

Salespersons were important to consumers’ purchases and accurately to fulfill consumers’ needs ((Jolson and Spath (1973) and Westbrook (1981)). Whereas, Fortenberry (1986) cited a difference in perceived importance of attributes between retail associates and consumers. While individual and purchase characteristics were more descriptive of the consumer, the evaluative characteristics were important retailer attributes that are calculated by the
consumer. The most concentrated factor within the retail environment was the study of personal selling and salesperson performance concerning a variety of apparel related products (Lambert et. al., 1990). Williams (1994) research carried empirical evidence that was concurrent with Fortenberry with respect to attributes between retail associates and consumers.

Return policies in the apparel industry were often directly related to convenience for the customer, as research shows that the ease of returning purchases was ranked the highest of importance from the consumer perspective, but quite different from the retail executive point of view (Spector and McCarthy, 2000). Unlike retail associates’ product knowledge, an argument could be made that retail return policies should be given more weight as an evaluative criteria within the apparel industry, which prove to be a differentiating factor among retailers.

Apparel products that were once important to consumers were less important and continued to decline in popularity with age as discretionary income increases (Today’s, 2003). However, as they age, retirement plans and education funds for their children became more important than clothing. Along with changing incomes, consumer confidence also impact consumer spending on apparel. Consumers’ shopping behavior was often based on the changing environment around them in terms of economy, prices, and discretionary income. While the economy continued to improve, the price of apparel continued to decline thus contributing to the success of mass merchants. (Huff, 2005). Consumers’ discretionary income purchases were also changing.

Useful information, especially the amount and types of goods information available was significantly influencing the attitude of the shoppers (Kim and Lennon, 2000). It suggested that sellers should create effective listing template with appropriate product information that would meet consumers’ information needs. Among the information, price and security
(Watchravesringkan and Shim, 2003) were deemed to the most important factors influencing the purchasing intention. Goods attributes have been an important factor as it was used as criteria for choice. Consumers considered the given product and service information when making purchases decision (Kwon and Lee, 2003; Chen et. al., 2006; Tien et. al., 2006).

Lenda et. al., (2002) identified company clientele, information services, reputation, company responsiveness, and interaction with catalog personnel which were the factors influencing the attitude of toward catalog retailers of apparel. Among the identified attitudinal attributes, product knowledge, trade security, problem solutions, sellers’ reputation, low price, purchase intention and trust were significantly influencing the customer’s purchasing behaviour.

Burt and Carralero-Encinas (2000) considered the retail store as the key success factor to a retail company. The major source of competitive advantage for retailers can be found in the value added delivered to customers, through the performance of functions or activities. Biswas et. al., (2002) found that linkage between the pricing policies of an organization to consumer value perceptions and ultimate shopping intentions. According to Yavas (2003), price was an important driver in store choice among a battery of patronage motivations.

Schiffman and Kanuk (2007) found that retail store image has images of their own that serves to influence the perceived quality of products that carry and the decision of consumers as to where to shop. These images stemmed from their design and physical environment, their pricing strategies, and product assortment. According to Shim and Kotsiopulos (2009), lifestyle influenced the choice of products and services that met diverse needs and interests rather than confirming to traditional stereotypes.
2.1.1 Summary

This section addresses the issue of attractiveness of emerging economies and the economic growth of India. Consumer decision making process is examined with respect to different marketing stimulus provided by private brand men's apparel across different parts of the world. Different attributes such as price, information regarding products, security of purchase, product and service information, physical environment, product assortment that impinge on consumer decision making process are identified and used to build the research instrument.

2.2 PERCEPTION, EXPECTATION AND SATISFACTION

Before the shopping experience began, perceptions of retail stores and the image portrayed by the retailer were positioned in the mind of the consumer through eight different areas: advertising, location, exterior design, signs, word-of-mouth, previous visits, approach, and display windows (Weishar, 1992).

Price of the brand was considered as the indicator of its quality (Sjolander, 1992). The fact that brand name was closely linked with qualities followed by other factors such as price and retailer reputation (Agarwal and Teas, 2002). The perceived brand origin has significant impact on the brand image (Thakor and Lavack, 2003). When making purchases the consumer perceived brands as the sign of quality (De Wulf, K and Al., 2005).

Some brands closely linked themselves with their origin in order to enhance their image and to project themselves as symbol of quality. Also the country of manufacture had no impact on product quality evaluations when country of corporate ownership was also present. High professed quality was said to drive a consumer to choose one brand above rival brands (Yoo et. al., 2000).
Perceived benefits were a combination of different product dimensions (tangible or intangible; extrinsic and intrinsic ;), available in relation to buy and use of the product (Snoj et. al., 2004). Emotional value was the benefit which one gets by experiencing something new or different (Lee et. al., 2006).

The products and brands may provide other benefits such as fun and enjoyable experience that generate emotional values for the consumers (Holbrook, 1986). Consumer perceived foreign brands to be more superior in all aspects to the national brands (Iyer and Kalita, 1997; Kinra, 2007).

The consumer’s implied perception of quality from the brand supersedes its price when he/she was making purchase decision (Dodds et. al., 1991). The consumer who perceives the product to be of higher quality would buy that product in assessment to a product of lower quality (Vranesevic and Stancec, 2003). The brands that were linked with the high quality would be purchased by the consumers.

Agarwal et al (2002) has quoted that consumer was likely to give more importance to emotional value derived from a product than perceived quality of that product. As customer expected high emotional benefit from foreign apparel brand, therefore they would purchase that brand to satisfy their emotional needs from the product.

The customer was satisfied if perceived performance clearly exceeded his/her expectations. He/she was dissatisfied if perceived performance clearly did not come up to his/her expectations. Within a “zone of indifference”, where the gap between expectations and perceived performance was too small to arouse an emotional reaction, neither satisfaction nor dissatisfaction arouse (Helm and Höser, 1995; Woodruff et. al., 1996).

There were two kinds of expectations: normative expectations that defined with precision how the product should behave, and predictive
expectations that indicated the away that consumers thought the product would behave (Wotruba and Duncan, 1975). The disconfirmation of expectations affected perceived quality, and the perceived quality affected satisfaction and behavioural intentions (Gotlieb et. al., 1994). Some idealized advertising images increased consumer’s expectations (Richins, 1995).

However the expectation was not the only factor that influences satisfaction towards a product, also the effort taken to buy the product influenced satisfaction that could be bigger when the consumer made a considerable effort to get the product, and lower when the consumer made a modest effort (Cardozo, 1965).

Expectations as a reference for comparison can be used as a measure for evaluating satisfaction, especially of customers (Salvador, 2008). However, from the point of view of the customer, the choice of a product was not only affected by his expectations, but was also influenced by his needs. Often, customer expectation and needs may be exactly the same and even interchangeable (Salehi and Rostami, 2009).

Also the consumer preferences change depending on the degree to which anticipated satisfaction was evoked. This shifts in preferences arouse because, compared to choice, anticipated satisfaction elicited a mental-imaging processing strategy that was both more effort intensive and qualitatively different (Shiv and Huber, 2000).

Satisfaction was considered a post choice evaluative judgment concerning a specific purchase selection (Oliver 1980; Soscia 2002), but most researchers agreed that satisfaction (and dissatisfaction, respectively) was the result of a complex psychological comparison between expected and received product performance levels. The concept of customer satisfaction described the emotional reaction to the degree in which a product met a buyer’s expectations (Swan and Trawick 1981).
Dissatisfaction of men and women with regard to fit and availability of sizes in clothes has been identified in numerous countries; one of the reasons for this could be the changing dimensions of the body over time, not accommodated by commensurate changes in apparel sizes (Winks, 1997; Ashdown, 1998). Consumer satisfaction was a desirable outcome for apparel manufacturers and retailers since satisfied customers can lead to increased store patronage, repeat purchase and brand loyalty (Otieno, 2000).

Baggs and Kleiner (2008) viewed that service quality was an antecedent to consumers’ satisfaction that consumer satisfaction has a significant effect on purchase intentions and that service quality has less effect on purchase intentions than consumer satisfaction did.

2.2.1 Summary

This section explores pre and post purchase psychological dimensions of purchase process. Perception with respect to eight different dimensions, price, origin, perceived benefits and emotional value are studied and appropriate inputs are built into the instrument to measure perception. Normative and predictive expectations are studied and its relationship with satisfaction is identified to be significant. Satisfaction as an outcome of perception and expectation is examined and inputs are used to build the hypothetical model.

2.3 CONSUMER INVOLVEMENT IN PURCHASING

Shopping for apparels involved making decisions about one’s appearance and was part of an overall life pattern that reflected attitudes towards stores and fashion as well as complex values and interests such as aesthetics and materialism (Otieno et. al., 2005). Because of the multisensory imagery involved in apparel, it was a consume product that was capable of stimulating and requiring considerable mental activity (Workman and Studank, 2005).
Consumer’s involvement in products was believed to moderate considerably their reactions to marketing and advertising stimuli (Kapferer and Laurent, 1986). One of the factors that were most directly related to brand sensitivity was consumer involvement in a specific product category (Lachance et. al., 2003).

Involvement could stem from one or from a combination of the five following antecedents: Interest, perceived risk, (with two sub components, importance and probability), the rewarding nature of the product (its pleasure value) and the perceived ability of brand choice to express one’s status, one’s personality or identity (sign value) (Kapferer and Laurent, 1993).

Depending on their level of involvement, consumers may be passive or active when they received advertising communication and limit or extend their processing of this communication (Ray, 1982). Astous and Gargouri (2001) found that similarity between brands was more likely to create confusion when attention and product involvement was low. Depending on their level of involvement, individual consumers differed in the extent of their decision process and their search for information.

Houston and Rothschild (1977) made a distinction between enduring involvement and situational involvement. The later reflected concern with a specific situation such as purchase occasion or election. The former, stemming from the individual, reflected a general and permanent concern with the product class.

The crucial difference between these two types of involvement was suggested by Rothschild (1979); an individual might usually purchase various low-price brands in a stochastic manner because of low enduring involvement, however high involvement decision would be made to purchase a specific brand.
Enduring involvement derived from the perception that the product was related to centrally held values (Arora, 1982), those defining one’s singularity and identity and one’s ego. Situational involvement was heightened when consumer perceived risk in a specific situation.

Many consumers no longer perceived impulse purchases as wrong but view them an alternative to more time-consuming search behaviours (Bayley and Nancarrow, 1998; Hausman, 2000). Many store purchases were made when customers give in to their impulses (Underhill, 1999), and more than half of all purchases were spontaneous (Block and Morwitz, 1999).

Moreover, consumers reported a favorable evaluation of their impulse behaviors (Dittmar et al., 1996). Thus, impulse buying was viewed as a very powerful attribute in understanding consumer’s involvement in buying behaviour.

Of particular interest was whether impulse buying was more important in fashion products (apparel, accessories) than in other product categories. This was particularly evident for apparel that was represented as a fashion product has high visibility and has an important symbolic meaning for consumers as they construct, express and enhance their self-identity and social status. High involvement was placed on purchasing the right apparel since consumers readily recognized that others judged them by their appearance (Cha, 2001).

Despite the importance that many consumers placed on acquiring apparel, many of these purchases were not planned in advance. In addition, involvement has linked with impulse buying of apparel with different buying typologies, such as pure impulse, planned impulse, reminded impulse, fashion oriented impulse, and emotional impulse (Han et al., 1991). Hence, a focus on apparel products could lead to a better understanding of impulse buying and more accurately predict purchases than a generalized focus (Ko, 1993).
In the shopping context, emotions were conceptualized generally as positive (pleased, excited) and negative (hostile, unhappy). Positive emotion in general seemed to lead to more positive involvement and evaluations, including more positive consumer satisfaction judgments (Mano and Oliver, 1993). An individual's positive emotion was influenced by a pre-existing mood, affective disposition, and reaction to current environmental encounters (desired items and sales promotions).

Consumers in more positive emotional state, tend to reduce decision complexity and have shorter decision times (Youn and Faber, 2000). Especially, positive emotion was identified as an antecedent that strongly influenced a number of actions including involvement buying in decision making (Heskett et. al., 2003).

Rook and Gardner (1993) found that consumers with positive moods would be more conducive to buying than when in negative moods, and when they have unconstrained feelings, a desire to reward themselves, and higher energy levels.

Donovan et. al., (1982) discovered a positive association between consumers' feelings of pleasure in the shopping environment and involvement buying behavior. Beatty and Ferrell (1998) also found consumers' positive moods worked primarily on buying through a greater frequency of the urge to buy (the initial approach behavior).

Park and Kim (2008) found that that impulse buying behaviors led to involvement for apparel could be classified into planned, reminded, and fashion-oriented impulse buying typologies. Hedonic consumption and impulse buying tendencies had significant effects on positive emotion. Positive emotion had a significant effect on planned, reminded, and fashion-oriented impulse buying for apparel, which increased the theoretical understanding of consumer’s involvement and impulse decision making for apparel.
Espejel et al. (2009) suggested that the influence of quality attributes on consumers’ perceived risk, trust, satisfaction and loyalty was substantially different between consumers with a high involvement level and consumers with low involvement. The results of the analysis also showed that for the group of highly involved consumers the influence of both intrinsic and extrinsic perceived quality on the consumers’ loyalty level was clearly higher.

2.3.1 Summary

Consumer involvement in purchase decision making is identified as a key variable. High consumer involvement is strongly believed to moderate and mediate reaction towards different marketing stimuli. The strength of argument put forth is accepted and built into the instrument and included as a variable in the model.

2.4 CONSUMER’S LOYALTY

Organizations worked hard to build the brand image of their firm and its goods and services. Marketing processes such as advertising and sales attempted to create a long term commitment by the customer that increased brand awareness and repeat purchases, and therefore, customer loyalty. Superior day-to-day management of store operations also contributed to brand image, repeat purchases, and customer loyalty.

Prus and Randall (1995) described customer loyalty as follows: "Customer loyalty is a composite of a number of qualities. It is driven by customer satisfaction, yet it also involves a commitment on the part of the customer to make a sustained investment in an ongoing relationship with a brand or company. Finally, customer loyalty is reflected by a combination of attitudes (intention to buy again and/or buy additional products or services from the same company, willingness to recommend the company to others, commitment to the company demonstrated by a resistance to switching to a
competitor) and behaviors (repeat purchasing, purchasing more and different products or services from the same company, recommending the company to others)."

The behavioral approach was that customers were loyal as long as they continue to buy and use a good or service (Parasuraman et al., 1988; Woodside et al., 1989; Zeithaml et al., 1996). Zeithaml (1996) stated that customer loyalty as being either behavioral or attitudinal.

Reichheld (2003) stated that the strongest evidence of customer loyalty was the percentage of customers who were enthusiastic enough to refer a friend or colleague to a particular good and/or service. The attitudinal approach was that customers felt a sense of belonging or commitment to the good or service. Baumann et al., (2005) found that the concept of loyalty has both behavioral and attitudinal dimensions.

The behavior approach included criteria such as repeat purchase, share-of-wallet, and word of mouth referrals, whereas the attitudinal approach consisted of criteria like commitment, trust or emotional attachment. Baldinger and Rubinson (1996) examined the link between attitude and behavior and found that the stronger the attitudinal commitment, the more likely consumers were to remain loyal thus the use of an attitudinal measure would also indicate the behavioral dimension of loyalty.

Smith and Wright (2004) used brand image, product quality, service quality, and firm viability in their structural equation model as direct determinants of customer loyalty to predict sales growth rate and return on assets. The importance of brand image and product quality was also supported by the results of Hee-Su and Yoon (2004) who found that service quality, product quality and features and brand image had significant (positive) effects on customer loyalty.
Anderson and Mittal (2000) showed that the level of product quality influences whether a customer would recommend the firm’s product via word-of-mouth advertising. Ranaweera and Neely (2003) found that perceptions of service quality had a direct linear relationship with customer retention. Smith and Wright (2004) used the ratio of advertising expenditure to sales as a measure of brand image and loyalty.

Brand loyalty depends on brand trust, and brand effect (Matzler and Hinterhuber (1998); Chaudhuri and Holbrook, (2001)). Utilitarian benefits of the product were derived from benefits that were gained from fulfilling customers’ basic necessities, as well as performance needs, in a product (Cherven, 2004). Brand loyalty is also dependent on customer perception of hedonic and utilitarian benefits (Chitturi, et.al. 2008).

Hedonic benefits are derived from the fun, excitement, and enjoyment of the product experience (Chitturi, et. al., 2007). In the context of apparel products, utilitarian benefits could be durability and quality for price, where hedonic benefits could be unique design and nice fit.

The primary objective of creating ACSI (American Customer Satisfaction Index) in 1984 was to explain the development of customer loyalty. The impact of satisfaction on loyalty indicated that there exist a direct connection between satisfaction and loyalty: satisfied customers became loyal and dissatisfied customers moved to another vendor (Heskett et. al., 1994). In ACSI model customer satisfaction has three antecedents: perceived quality, perceived value and customer expectations. (Anderson and Fornell, 2000).

In the ECSI (European Customer Satisfaction Index) model perceived quality was divided into two elements: “hard ware”, which consisted of the quality of the product or service attributes, and “human ware”, which represented the associated customer interactive elements in service, i.e. the personal behaviour and atmosphere of the service environment. (Gronholdt et.
In both model increased satisfaction should increase customer loyalty. When the satisfaction was low customers have the option to exit (going to a competitor) or expressed their complaints.

Image of brand or supplier was one of the most complex factors. It affected loyalty at least in two ways. Firstly, customer may use his preferences to present his own image. That may occur both in conscious and subconscious level. According to the Belk’s theory of extended self, people defined themselves by the possessions they have, manage or create (Belk, 1988). Aaker has shown how consumers prefer brands with personality traits that were congruent with the personality traits that constituted their (malleable) self-schemas (Aaker, 1999). Tidwell (1993) have showed that people used products to enhance self-image. Kim et. al. (2001) found the link between brand personality and loyalty. They did get positive support to hypothesis that the attractiveness of the brand personality indirectly affected brand loyalty.

Secondly, according to social identity theory, people tend to classify themselves into different social categories. That led to evaluation of objectives and values in various groups and organizations in comparison with the customer’s own values and objectives. They preferred partners who shared similar objectives and values (Ashforth and Mael, 1989). Fournier (1998) stated that consumer-brand relationships were more a matter of perceived goal compatibility. Brands cohere into systems that consumers created not only to aid living but also to give meanings to their lives. Oliver (1999) argued that for fully bonded loyalty the consumable must be part of the consumer’s self-identity and his or her social-identity.

Spekman (1988) called trust a cornerstone of the strategic partnership. Trustworthiness of the partner was a factor that has certain impact on the establishment of loyalty – nobody expected a long-term relation with a partner that cannot be trusted. Morgan and Hunt (1995) posited that trust was a major
determinant of relationship commitment: brand trust led to brand loyalty because trust created exchange relationships that were highly valued. Trustworthiness was one criterion for measuring the value of the partner (Doney and Cannon, 1997).

Hofmeyr and Rice (2000) pointed out that the more important the relationship was to a person, the more willing that person was to tolerate dissatisfaction in favor of trying to fix it. By contrast, when a relationship didn’t matter, then even the perfectly satisfied consumer can switch on a whim. Chen et al. (2009) further identified two kinds of loyalty which they referred to as attitudinal and behavioural loyalty and they also found that behavioural loyalty, which referred to how consistently customers behaved in repurchasing services/products, was positively related to consumer expenditure as opposed to attitudinal loyalty.

2.4.1 Summary

Consumer loyalty is the ultimate expectation of the private brand apparel outlet. The antecedent conditions to build customer loyalty are examined with the help of behavioral approach pounced with attitudinal approach. Different benefits including hedonic benefits are discussed. Brand image and its impact on loyalty are examined. Trustworthiness, behavioral loyalty and attitudinal loyalty are examined for creating building blocks of instrument and hypnotized model.

2.5 POSITIONING OF BRANDS

A brand’s positioning set out what and who the brand was, and what it offered (Rositer and Percy 1991). Traditionally, brand positioning involved focusing on points of difference (differentiation), and the unique benefits that set each brand apart from its competitors (Aaker 1996; Hart and Murphy 1998) to make the brand more desirable and relevant per se. The underlying logic was
that such points of differentiation were what customers remember about a brand (Keller, et. al., 2002).

An effective brand position captured the distinctive mission, aspirations, and strengths of an institution and appealed to the motivations and interests of the market place. Understanding how consumers’ ratings were formed relies on cognitive processes aimed to capture brand associations that were stored in consumers’ memory (Keller, 1993). Consumers usually associated a brand name with a particular attribute, some benefits, a specific usage situation, a logo, and features or characteristics (Roedder-John et al., 2005).

The analysis of brand associations represented the basis of brand equity measurement, as models of brand equity usually gave emphasis to brand knowledge and brand associations (Aaker, 1991; Keller, 1998). On the other hand brand ratings captured not just specific attribute information, or brand-specific associations (knowledge of brand features, attributes or benefits), but they may also contain non-attribute information like the overall brand image (general brand impressions), which were based on a more holistic view of the brand (Dillon et. al., 2001). Besides that, disentangling sources of bias in brand ratings can provide managerial and theoretical insights for brand equity.

Perceptual mapping has been historically regarded as one of the most important analytical tools in marketing research (Shocker and Srinivasan, 1979; Green et. al., 1988; Steenkamp et. al., 1994) and it was especially suited for the analysis of brand equity’s sources. Perceptual mapping, in fact, was mainly used in the process of brand building and brand positioning.

According to Keller and Lehmann (2005), “Brand positioning sets the direction of marketing activities and programs – what the brand should and should not do with its marketing. It involves establishing key brand associations in the minds of customers and other important constituents to differentiate the brand and establish competitive superiority”.

Brand positioning is disseminated through the marketing communications mix (Graeff, 1996) and was recognized as a critically important and influential component of corporate strategy. Theory has concentrated on what constituted a brand, (Christodoulides and De Chernatony, 2004), what made a brand different, and how a brand’s positioning can be communicated through the marketing mix (Wise and Sirohi, 2005).

Rowley (1997) stated that brand positioning can be analyzed in two ways; the meaning of this message can be analyzed, or the vehicle through which messages were manifested can be the object of analysis. Components of brands, or brand elements, were parts of the brand broken down from the marketer’s perspective to aid the process of branding. Customers did not perceive brands broken down into elements; rather they view them in a holistic approach. Brand components have been researched by various academics (De Chernatony and Dall’Olmo Riley, 1998).

Brand positioning has been analyzed both from an analytical perspective (Hauser and Koppelman, 1979; Caroll and Green, 1997) and from a strategic standpoint (Ries and Trout, 1986; Park et. al., 1989; Hooley et. al., 1998). Kalafatis et. al., (2000) conceived of positioning as an iterative process, consisting of deliberate and proactive actions aimed at the definition of distinct consumer perceptions.

Brand positioning was based on the interaction of all marketing tools, with an accentuated role for marketing communications because of its relevance in the process of shaping distinct consumer perceptions (Hair et. al., 1998). According to Aaker and Joachimsthaler (2002), brand positioning as the part of the brand identity and value proposition that was to be actively communicated to the target audience.

However, the success of a brand strategy which positioned the product exclusively by its functional attributes may be limited by the fact that the
reduction of a product’s environmental impact generally did not deliver individual benefits to its buyer. For most products, a consumer would experience functional benefits (improvement of environmental quality) only in case of generalized environmentally sound consumer behaviour. Furthermore, functional positioning strategies can have some general disadvantages: they can often be easily imitated, they assume rational buyer decisions and they may reduce the flexibility of brand differentiation (Kroeber-Riel, 1991). Therefore, the perceived customer benefit may be insufficient as a motivating factor for brand purchase (Belz and Dyllik, 1996).

Though brand positioning involved the whole of the marketing mix, in which the sole contact with salient brand attributes take place through brand communications was not unrealistic. Even in real life conditions, consumers often developed brand perceptions and attitudes mainly or even exclusively through advertising exposure. While it was true that this did not normally occur as a once-only exposure to an advertisement, studies addressing this issue have suggested that advertising effects can be achieved with only one exposure (Mandese 1995; Gibson, 1996).

Silva and Alwi (2008) found that corporate brand image can have a direct positive relationship with brand positioning and consumer loyalty. Tsiotsou and Alexandris (2009) found brand image positively influenced brand preference and positioning.

2.5.1 Summary

Brand positioning focuses on differentiation of the brand as well as the likely commonality while perceiving the brands. Positioning of the brands for private brand men's apparel appears to be oxymoronic. However each of the private brand outlet endeavors to provide unique benefits that distinguish them from others. Different attributes with respect to a retail outlet are identified such as brand differentiation, brand association, brand positioning and brand
image. These attributes are built into the final instrument to discern unique perceptions and similarities with respect to different outlets.

2.6 GAPS IDENTIFIED FOR THE RESEARCH

Review of literature has been examined with respect to perception, purchase intention, expectation, satisfaction and loyalty. However there is a need to examine with focused attention on gaps that are identified in established research in India.

Review of literature is undertaken to find present state of research with respect to factors that influence consumer’s purchasing decisions and factors leading to satisfaction and loyalty. Blackwell et. al., (2001) indicated in purchase decision process, consumer matched by following evaluative criteria with individual characteristics and location, assortment breadth and depth, price, advertising, promotion, point of purchase displays, private personnel, services, customer characteristics, and private atmosphere. It has been observed that consumer decision to purchase a particular brand was effected by different factors, other than functional benefits. Kim et. al., (2002) indicated that consumer may choose a particular brand to express his or her personality, social status, affiliation or to fulfill desire for novelty. The model developed by them depicted a roadmap of the consumers’ minds through different stages as a part of positioning of the brands. Furthermore Johnson (2005) found that consumers’ shopping behavior was often based on the changing environment around them in terms of economy, prices, and discretionary income.

While the economy continued to improve, the price of apparel continued to decline thus contributing to the success of mass merchants. Consumers’ discretionary income purchases were also changing. Apparel products that were once important to consumers were less important and continued to decline in popularity with age as discretionary income increases. There exists a gap in the research with respect to demographic characteristics and their relation to
decision making process. The factors indicated by literature are adapted in the research instrument. Before the shopping experience began, perceptions of retail stores and the image portrayed by the retailer were positioned in the mind of the consumer through eight different areas: advertising, location, exterior design, signs, word-of-mouth, previous visits, approach, and display windows (Weishar, 1992).

The perception of retail private brand and the image portrayed is undertaken for further investigation. It has been indicated by Dodds et. al., (1991) that the consumer’s implied perception of quality from the brand supersedes its price when he/she was making purchase decision. Accepting the present status of research in identifying this aspect as a gap in perception with respect to price and quality further investigation is undertaken by the researcher to find the perception of the consumer with respect to price and quality trade off. It has been established that customer was satisfied if perceived performance clearly exceeded expectations. Consumer was dissatisfied if perceived performance clearly did not come up to expectations. Within a “zone of indifference”, where the gap between expectations and perceived performance was too small to arouse an emotional reaction, neither satisfaction nor dissatisfaction arouse (Woodruff et. al., 1996).

Present state of research is not clear with respect to perception and expectation alignment that is leading to satisfaction is to be established and this has been identified as a gap in the present research. However the expectation was not the only factor that influences satisfaction towards a product, the effort taken to buy the product influenced satisfaction that could be bigger when the consumer made a considerable effort to get the product, and lower when the consumer made a modest effort (Cardozo, 1965). Satisfaction was considered a post choice evaluative judgment concerning a specific purchase selection (Oliver 1980; Soscia 2002), but most researchers agreed that satisfaction (and dissatisfaction, respectively) was the result of a complex psychological
comparison between expected and perceived product performance levels. The concept of customer satisfaction described the emotional reaction to the degree in which a product met a buyer’s expectations (Swan and Trawick 1981).

Consumer satisfaction was a desirable outcome for apparel manufacturers and retailers since satisfied customers can lead to increased private patronage, repeat purchase and brand loyalty (Otieno, 2000). However, it is not proved conclusively that satisfaction necessarily leads to private brand loyalty and this has been identified as a major gap in the present research. Shopping for apparels involved making decisions about one’s appearance and was part of an overall life pattern that reflected attitudes towards stores and fashion as well as complex values and interests such as aesthetics and materialism (Oteieno et. al., 2005). Because of the multisensory imagery involved in apparel, it was a consume product that was capable of stimulating and requiring considerable mental activity (Workman and Studank, 2005).

Consumer’s involvement in products was believed to moderate considerably their reactions to marketing and advertising stimuli (Kapferer and Laurent, 1986). One of the factors that were most directly related to brand sensitivity was consumer involvement in a specific product category (Lachance et. al., 2003).

Model suggested by Kapferer and Laurent (1986, 1993) is based on consumption of fourteen product categories. Involvement could stem from one or from a combination of the five following antecedents: Interest, perceived risk, (with two sub components, importance and probability), the rewarding nature of the product (its pleasure value) and the perceived ability of brand choice to express one’s status, one’s personality or identity (sign value) (Kapferer and Laurent, 1993). However, it has not been applied for men’s apparel and this has been considered as a gap and addressed by present research.
The behavioral approach was that customers were loyal as long as they continue to buy and use a good or service (Parasuraman et. al., 1988). Prus and Randall (1995) described customer loyalty as follows: "Customer loyalty is a composite of a number of qualities. It is driven by customer satisfaction, yet it also involves a commitment on the part of the customer to make a sustained investment in an ongoing relationship with a brand or company. Finally, customer loyalty is reflected by a combination of attitudes (intention to buy again and/or buy additional products or services from the same company, willingness to recommend the company to others, commitment to the company demonstrated by a resistance to switching to a competitor) and behaviors (repeat purchasing, purchasing more and different products or services from the same company, recommending the company to others)". This particular suggestion by Prus and Randall (1995) of likely relationship of satisfaction and loyalty is taken up for further research. Zeithaml (1996) stated that customer loyalty as being either behavioral or attitudinal.

Baldinger and Rubinson (1996) examined the link between attitude and behavior and found that the stronger the attitudinal commitment, the more likely consumers were to remain loyal thus the use of an attitudinal measure would also indicate the behavioral dimension of loyalty. Reichheld (2003) stated that the strongest evidence of customer loyalty was the percentage of customers who were enthusiastic enough to refer a friend or colleague to a particular good and/or service. The attitudinal approach was that customers felt a sense of belonging or commitment to the good or service. Baumann et. al., (2005) found that the concept of loyalty has both behavioral and attitudinal dimensions. The behavior approach included criteria such as repeat purchase, share-of-wallet, and word of mouth referrals, whereas the attitudinal approach consisted of criteria like commitment, trust or emotional attachment.

Brand loyalty depends on brand trust, and brand effect (Matzler and Hinterhuber, 1998; Chaudhuri and Holbrook, 2001). Smith and Wright (2004)
used brand image, product quality, service quality, and firm viability in their structural equation model as direct determinants of customer loyalty to predict sales growth rate and return on assets. The importance of brand image and product quality was also supported by the results of Hee-Su and Yoon (2004) who found that service quality, product quality and features and brand image had significant (positive) effects on customer loyalty. According to Keller and Lehmann (2005), “Brand positioning sets the direction of marketing activities and programs – what the brand should and should not do with its marketing. It involves establishing key brand associations in the minds of customers and other important constituents to differentiate the brand and establish competitive superiority”. Brand loyalty is also dependent on customer perception of hedonic and utilitarian benefits (Chitturi, et.al, 2008).

Perceptual mapping has been historically regarded as one of the most important analytical tools in marketing research (Shocker and Srinivasan, 1979; Green et. al., 1988; Steenkamp et. al., 1994) and it was especially suited for the analysis of brand equity’s sources. Utilitarian benefits of the product were derived from benefits that were gained from fulfilling customers’ basic necessities, as well as performance needs, in a product (Cherven, 2004). Perceptual mapping, in fact, was mainly used in the process of brand building and brand positioning. The brand positioning of different retailers with respect to important attributes such as style, variety, quality, finish, apparel stores, durability, display, accessories and brand are not analyzed and this has been identified as a major gap and further investigation is undertaken.

Brand positioning is disseminated through the marketing communications mix (Graeff, 1996) which is recognized as a critically important and influential component of corporate strategy. Theory has concentrated on what constituted a brand, (Christodoulides and De Chernatony, 2004), what made a brand different, and how a brand’s positioning can be communicated through the marketing mix (Wise and Sirohi, 2005).
Perceived benefits were a combination of different product dimensions (tangible or intangible; extrinsic and intrinsic ;), available in relation to buy and use of the product (Snoj et. al., 2004). Emotional value was the benefit which one gets by experiencing something new or different (Lee et. al., 2006). Schiffman and Kanuk (2007) found that retail private image has images of their own that serves to influence the perceived quality of products that carry and the decision of consumers as to where to shop. According to Shim and Kotsiopulos (2009), lifestyle influenced the choice of products and services that met diverse needs and interests rather than confirming to traditional stereotypes.

However the expectation was not the only factor that influences satisfaction towards a product, also the effort taken to buy the product influenced satisfaction that could be bigger when the consumer made a considerable effort to get the product, and lower when the consumer made a modest effort (Cardozo, 1965).

Satisfaction was considered a post choice evaluative judgment concerning a specific purchase selection (Oliver 1980; Soscia 2002), but most researchers agreed that satisfaction (and dissatisfaction, respectively) was the result of a complex psychological comparison between expected and received product performance levels.

Especially, positive emotion was identified as an antecedent that strongly influenced a number of actions including involvement buying in decision making (Jones et. al., 2003). Shopping for apparels involved making decisions about one’s appearance and was part of an overall life pattern that reflected attitudes towards stores and fashion as well as complex values and interests such as aesthetics and materialism (Otieno et. al., 2005). Brand positioning was recognized as a critically important and influential component of corporate strategy.
Reichheld (2003) stated that the strongest evidence of customer loyalty was the percentage of customers who were enthusiastic enough to refer a friend or colleague to a particular good and/or service. Theory has concentrated on what constituted a brand, (Christodoulides and De Chernatony, 2004), what made a brand different, and how a brand’s positioning can be communicated through the marketing mix (Wise and Sirohi, 2005) and disseminated through the marketing communications mix. The attitudinal approach was that customers felt a sense of belonging or commitment to the good or service. Baumann et. al., (2005) found that the concept of loyalty has both behavioral and attitudinal dimensions. Brand loyalty depended on customer perception of hedonic and utilitarian benefits (Chitturi, et.al, 2008).

On the basis of literature review, six gaps have been identified across time and geography. These are as follows:

1. Demographic characteristics of consumers and their relation to decision making process

2. Perception with respect to price and quality

3. Perception and expectation alignment leading to satisfaction is to be established

4. Satisfaction and its relation to store brand loyalty

5. Kapferer’s model of brand loyalty based on fourteen product categories has not addressed men’s apparel

6. The brand positioning of different retailers with respect to important attributes such as style, variety, quality, finish, apparel stores, durability, display and accessories is to be analyzed.