COMPARATIVE STUDY ON THE IMPACT OF MARKETING TOOLS ON BRAND LOYALTY - RESEARCH IN FOOD VS NON-FOOD RETAILING

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Abstract: In order to attract consumers to a retail brand and gain their commitment thereto, the benefiting company's decision-makers may resort to approach consumers by means of concrete actions performed through the marketing mix elements. By adopting assortment, price or communication policy measures, the retail enterprise will strive to strengthen in time the customers' trust into its performance, make them to express their satisfaction with the retail brand and, consequently, make consumers, who represent demand, to show commitment to the retail brand.
The current research was conducted on a sample of almost 1800 consumers and its goal is to reveal the way in which customers of food and non-food retail chains develop their trust in, and satisfaction with, the retail brand as a result of the impact exerted by some tools of the marketing mix. The empirical data were initially validated by means of specific analyses (reliability testing) only to be aggregated later into a model designed to use the data as loyalty indicators.
Keywords: retail marketing, retailer attributes, store loyalty, grocery retailing, food and non-food retailing

1. INTRODUCTION

Operating in a world marked by market globalization, endless increase in the competition process and computerized marketing communication, the economic entities are more and more concerned with identifying and managing effectively long-term competitive advantages which should be offered to their customers in order to gain their loyalty and prevent them from migrating to competitors. This requires a process-oriented approach to the relationship with demand exponents which must be based on a relational marketing concept [25]. The added value resulted from this relationship is also called relational utility and the knowledge about the customer and the characteristics of his/her demands that are made over time becomes a basic asset of the company. Such an understanding requires a process-oriented approach to relational marketing. The goal of the process-based (step-by-step) endeavour is to gain in time the mutual trust between business partners which leads to a more durable relationship among them [24].

2. LITERATURE REVIEW

2.1 Retail marketing tools

The retailer's core element of tangibilization is undoubtedly represented by the product range which, together with the own brands, is thought of as the strategic pillar of the retailer's performance. Even if the retailer manages, to become tangible for the consumer by

means of its own brands policy as well, the empirical studies deal with the own brands when the product range is being discussed [13]. This sounds quite logical since consumers sometimes find difficult to differentiate between retailer's own brands and producer's brands.

Atmosphere has a strong bearing on the retailer's success as it enhances the consumer's perception of the retailer and earns his/her loyalty [28]. The quality of the service delivered through the personnel of the store, is another aspect that carries strong implications for the consumer behaviour, his/her return to the store, repurchase as well as the recommendation of the unit to friends, relatives, acquaintances or any other people [5; 10; 22; 23].

Price and communication hold a special place in the context of retailing as they undeniably contribute to eliciting emotions in the consumer. Empirical studies reveal that consumer's perception is shaped by both premium prices and the quality-price relationship or, to put it differently, the value and utility in exchange for the price paid. Communication also leaves its mark on the consumer through integrated communication activities such as catalogues, brochures or media inserts [8].

Although the placement should play an important role in choosing the retailer, very few studies have dealt with this aspect. In fact, some studies even reached the conclusion that placement is utterly irrelevant [15]. However, there are research studies which, theoretically at least, highlight the importance of the retailer's placement [17].

2.2 Brand trust

According to the meaning assigned by relational marketing to this concept, trust stands for the credibility and willingness that the customer perceives to be the result of his/her long-term, strengthened in time, relationship with the service provider. Trust among business partners allows them to better focus on the long-term benefits that their relationship may yield, thus increasing competitiveness and reducing transaction costs [14]. A borderline should be drawn between trust and satisfaction. Satisfaction is only a premise of trust. The repeated expression of satisfaction with a particular brand, product or service contributes to the consolidation of trust among business partners [2].

Brand trust may be viewed as the basis of any interaction or exchange activity between trading parties [12] and individuals [19]. Trust plays its most important role in the field of consumption goods, particularly in the

bond consumers establish with various brands. In practical terms, the technical literature suggests that brand trust is nothing else but the willingness of the average consumer to rely on the brand to perform its stated functions [7].

2.3 Brand satisfaction

Satisfaction toward a particular brand may be viewed as the outcome of a complex comparison between the real state created by the lived experience of buying a product or a brand and the expected state fashioned according to the desires felt by the consumer. Both the perception of the purchasing act and the desires related thereto vary considerably among consumers since they are influenced by their lifestyle, income, education etc. Satisfaction also features an emotional component, quantified by means of two dimensions: the short-term, affective dimension and the long-term, cognitive or transactional dimension [29].

2.4 Brand loyalty

The loyalty toward a brand, product or performance was initially understood as its repeated purchasing by the consumer [20], a fact which allowed the quantification of loyalty by the enterprise. In time, its quantification could also be made through the customers' perception of loyalty [21]. However, we have to state from the very beginning that the repeated preference displayed toward a brand or its being repeatedly purchased does not necessarily entail the existence of loyalty toward it. In fact, it may happen that the consumer repurchases the brand for lack of alternatives, due to its being advertised or due to the package attractiveness or the manner in which the brand or product is displayed in the store. The consumer may also opt repeatedly for a brand due to the very need to seek variety in satisfying his/her desires [10].

Some authors understand the term "relational attachment" as the loyalty the consumer feels towards a particular brand [16]. Thus, loyalty is viewed as the consumer's commitment to repurchase the brand or prefer it in the future despite any other situational influences and his/her willingness to recommend it to other people. When recommendation takes place, the loyal customer becomes a prescriber [25].

3. OBJECT OF RESEARCH

The display of loyal behaviour may take place particularly when the consumer puts *trust* in a particular retail brand and s/he feels satisfied with it. In order to highlight the way in which the retail enterprise may, through its characteristics, contribute to developing and
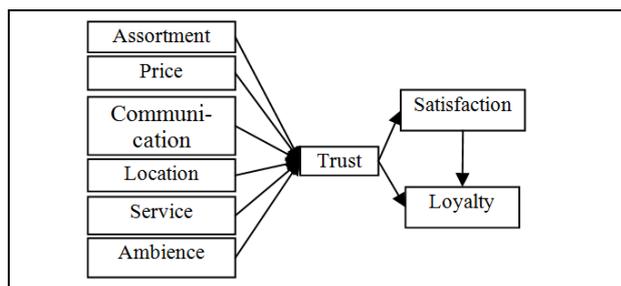

Fig. 1. Proposed analysis model

consolidating customer loyalty, the following model has been developed, as can be seen in Fig. 1.

4. RESEARCH OPERATIONALISATION

Tab. 1 presents a possible operationalization of the retailer's marketing tools (assortment, ambience, price, communication, service, place) as highlighted by the quoted studies. The ideas, assertions and concepts derived from the quoted studies as well as the items used, designed and verified in the respective studies have led to the creation of a logical sequence of statements that display the different facets of these marketing mix instruments [1; 4; 6; 8; 16; 18; 26; 27; 29].

Statement	Given dimension
The product range (offering) of store X is broad	Product range
At store X I receive all products needed without much effort	One-stop-shopping
Articles are always available, no need to stand in front of an empty shelf	Product availability
The quality of the marketed articles is always exceptional	Good product quality
I like the interior of store X very much	Attractive interior
I can find products easily and quickly in the nearest subsidiary of store X	Easy finding of products
Store X is always clean and tidy	Cleanness
Prices charged by store X are always affordable	Price affordability
I appreciate that most of the products are offered at low prices for a long period of time	Price stability in time
I appreciate good quality/price ratio	Quality/price ratio
Store X often sends me promotional materials	Media presence
I believe store X has a very good advertising	Good advertising
I often happen to see good promotional materials from store X	Frequency of advertising
Brochures always contain new information	New information
I am strongly influenced by the way store X communicates	Personal communication
Service is always excellent (faultless)	Excellent service
The personnel is kind and friendly	Friendly personnel
The personnel is highly trained and qualified	Good personnel
The placement of store X is ideal	Ideal placement
I prefer store X because of other stores nearby	Other stores
Store X has a subsidiary next to my home	Spatial closeness

Tab. 1. Operationalization of the retailer's marketing mix

The operationalisation of retail brand trust, satisfaction and loyalty can be done according to some items as presented in Tab. 2 [7; 11; 26].

Statement	Given dimension
I trust the product range of store X.	Trust store X's offer
I am sure in my decision when buying from store X	Sure decision
I generally trust store X.	Trust in the store
As far as I know store X honours its promises	Honouring the promise
I am generally satisfied with store X.	Global satisfaction
Store X appeals to me.	Appeal satisfaction
I believe that up to the now I've made a right decision to buy from store X	Global satisfaction
Store X is always a good choice for me.	Transactional satisfaction
During my future shopping visit I will probably purchase from store X	Repurchasing intention
In the future I shall buy products more often from store X	Increase repurchasing frequency
In the future I will buy from the store X more often than from other stores	Buying preference for the retail brand
I enjoy each purchasing act from store X.	Actual repurchasing

Tab. 2. Operationalisation of retail brand trust, satisfaction and loyalty

5. RESEARCH METHODOLOGY

In order to provide the means for quantifying the previously described theoretical concepts, they were assembled into a questionnaire administered to Romanian consumers. The number of validated questionnaires was 1,780 (732 in food retailing and 1,048 in non-food retailing). The survey was mainly conducted on big retail chains, subsidiaries of western retail enterprises, and on some national (regional or local) chains which broke into the Romanian market. The selection of respondents was made according to quota sampling on sex and age groups as presented in Romania's Statistical Yearbook of 2010. The interviewing process generally respected the limits of the original structure, although slight deflections were recorded on several of these groups.

In order to test the reliability and correctness of the operationalised statements, use was made of the Cronbach's alpha coefficient, the "item-to-total" correlation and the exploratory factor analysis [3].

6. RESEARCH MAJOR FINDINGS

The alternate application of Cronbach's alpha coefficient and item-to-total correlation highlighted the fact that the operationalisation carried out for each theoretical dimension (assortment, ambience, satisfaction etc.) may be validated by means of the obtained data. Cronbach's α coefficient takes on a value between 0.8 and 0.9 for assortment (0.837), location (0.807), loyalty (0.879), satisfaction (0.886) and higher than 0.9 for ambience (0.902), service (0.909), communication (0.920), price (0.905) and trust (0.910).

The items operationalised in Tab. 1 load differently on six factors, which leads to the statement that the stability and validity of the collected data can be confirmed. Thus, factor 1 reflects the ambience policy whereas factor 2 reflects the communication policy. Factor 3 refers to the placement of the retail unit and factor 4 to the price policy. Finally, factor 5 reflects service provided by the retail enterprise and factor 6 refers to the assortment policy.

From another point of view, special import may be ascribed to the way in which interact the dimensions obtained within factor analysis. The application of multiple regression analysis on the factors highlighted by the factor analysis reveals that, at the overall level of the sample (see Fig. 2), assortment (0.216****) and place (-0.281****) have a strong impact on the trust that consumers exhibit when choosing a retail brand.

Surprisingly enough, price has no significant impact on building trust in the retail brand. Whereas assortment (0.162****), service (0.141****) and ambience (0.216****) contributes to increasing trust in the retail brand, the research revealed the contrary about communication (-0.077****) and place (-0.281****). One can notice that, at the level of the sample as a whole, *brand trust rather contributes to building satisfaction (0.843***) than to expressing loyalty toward the brand (0.675****)*. This conclusion stresses the need for retail stores to develop a more coherent policy in order to gain the customers' commitment to the retail brand.

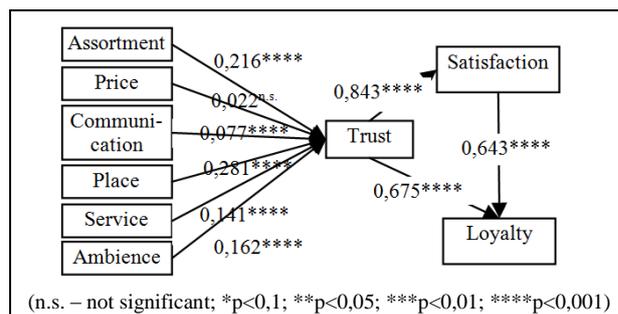(n.s. – not significant; *p<0,1; **p<0,05; ***p<0,01; ****p<0,001)

Fig. 2. Results of the regression analysis for the overall sample

The breakdown of results under the food and the non-food retailing reveals a noTab. change in significance of communication in the case of non-food retailing. Therefore, only environment/atmosphere, service and assortment contribute directly to building trust in the non-food retail brand whereas location has an inversely proportional contribution (Tab. 3).

Retailing	Food	Non-food
Respondents	1.048	732
Ambience → Trust	0,182****	0,220****
Communication → Trust	-0,091****	**-0,046 n.s.**
Price → Trust	0,005 n.s.	0,043 n.s.
Location → Trust	-0,367****	-0,176****
Service → Trust	0,120****	0,186****
Assortiment → Trust	0,145****	0,180****
F	195,017****	88,843****
R² adjusted	0,526	0,419
Durbin-Watson	1,941	2,010

Legend n.s. – not significant, *p<0,1, **p<0,05, ****p<0,001

Tab. 3 Impact of brand characteristics on trust

As Tab. 4 suggests, there are noTab. differences between the impact of trust on satisfaction and the impact of trust on brand loyalty. The only noTab. characteristic lies in the fact that trust contributes more to building satisfaction with the retail brand than to building and displaying a loyal behaviour.

Retailing	Food	Non-food
Respondents	1.048	732
Trust → Loyalty	0,678****	0,671****
F	889,330****	596,928****
R² adjusted	0,459	0,449
Durbin-Watson	1,972	1,964
Trust → Satisfaction	0,844****	0,845****
F	2588,422****	1816,124****
R² adjusted	0,712	0,713
Durbin-Watson	1,932	2,021
Satisfaction → Loyalty	0,635****	0,659****
F	709,752****	559,495****
R² adjusted	0,404	0,433
Durbin-Watson	1,888	1,909

Legend n.s. – not significant, *p<0,1, **p<0,05, ****p<0,001

Tab. 4. Impact of brand trust on satisfaction and loyalty and the impact of satisfaction on retail brand loyalty

7. CONCLUSIONS AND IMPLICATIONS

The research findings can stand for a basis for pertinent conclusions concerning the impact of the measures adopted by the retail enterprise to shape the consumers' perception and gain their commitment to the retail brand of a store or to the entire chain. One of the

limits of the current research lies, on the one hand, in the lack of a unitary dimension of the two subsamples and, on the other hand, in a more pronounced heterogeneity of non-food retail formats (and their specialization) than of the food retail formats.

The research also showed that, with the exception of price which exerts an insignificant impact on building trust, the other characteristics of the retail brand have a significant contribution to building trust, satisfaction and loyalty. As a side point, retail brand loyalty, in turn, is more indicative of a satisfaction with the store than of store loyalty (repurchasing).

8. PERSPECTIVES OF RESEARCH

The future research is mainly focused on supply (retail chains) characteristics in order to verify the extent to which retail chains are aware that clusters exist and define their supply accordingly. The Romanian retail market is highly turbulent, teeming with players and featuring sudden and unpredicTab. changes in strategy, on the one hand, and consumers devoid of retail experience, unable to define their expectations and express their dissatisfaction with the retail units, on the other hand. That is why the author's long-range intention is to carry out a dual investigation of retailing and explore the reality of the Romanian retailing from both directions.

9. ACKNOWLEDGEMENTS

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