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The impact of retailer innovativeness and food healthiness on store prestige, store trust and store loyalty

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Abstract

Food retailers struggle to attract new consumers and retain current ones by implementing innovative strategies to achieve competitive advantage. In this context, this presents study aims to understand how perceived retailer innovativeness and perceived food healthiness influence store prestige, store trust, and store loyalty. For this purpose, data were gathered from consumers using a survey instrument. Direct and mediated effects were tested utilizing structural equation modeling. The empirical data confirm the positive role of retailer innovativeness and perceived food healthiness on both store prestige and store trust. The findings also revealed that store prestige and store trust are positively related to store loyalty. In addition, the analyses indicated that store prestige and store trust performed partial mediating influence on the link of perceived retailer innovativeness, perceived food healthiness, and store loyalty. Some implications are also presented based on the research findings.

Keywords: perceived retailer innovativeness, perceived food healthiness, store prestige, store trust, store loyalty

Introduction

For most companies, innovation is obligatory for retention of current customers, attracting and gaining new ones (Kunz et al., 2011, p. 816). Grocery retailers face fierce competition with the increasing number of new entrants with new formats in the marketplace. In this competitive environment, retailers are investing in innovative applications including self-checkout systems, new loyalty programs, innovative store designs, and providing new product and services to differentiate themselves from the rivals. These innovative applications can enable traditional retail stores to be more attractive and accordingly determine consumers' purchase intentions (Lin et al., 2015, p. 33).

The widespread use of additives and preservatives in the food industry has increased consumers' awareness of food safety. Due to the growing number of health-conscious consumers, food retailers are steadily paying more attention to health issues. In this context, grocery retailers have allocated more space on their shelves for healthy food products. In addition, some retailers provide organic private labels to attract health-conscious consumers with affordable prices. Due to the importance of health in food consumption, freshness and healthiness of food products that are sold in retailers are of the most important determinant for consumers to choose a specific retailer (Kim et al., 2013; Chamhuri and Batt, 2013).

Despite the importance of store prestige, few papers aimed to examine its antecedents and consequences (Hwang and Hyun, 2012; Baek et al., 2010). Retailers are entering the market with new store formats to increase their store prestige image. Food retailers are also effort to increase their store prestige to differentiate themselves from rivals. For this purpose, they give more importance to innovative applications and providing unique, attractive, and healthy food products.

Loyal customers purchase more products, their willingness to spend is higher than non-loyal ones and they spread positive word-of-mouth (Harris and Goode, 2004, p.139). Therefore, creating loyalty is one of the fundamental goals for retailers to achieve a competitive

advantage in the marketplace. Based on this aforementioned discussion, for retailers and marketers to evolve effective strategies, it is crucial and meaningful to comprehend how consumers' perceived retailer innovativeness and perceived food healthiness perceptions influence on store prestige, trustworthiness, and loyalty toward the food retailer.

Previous research has widely examined perceived innovativeness from the consumer's perspective (Boisvert and Ashill, 2011; Kunz et al. 2011; Hubert et al., 2007; Kim et al., 2015; Jin et al. 2016; Pappu and Quester, 2016; Kim et al., 2018). Despite the growing importance of retailer innovativeness, only a few empirical studies have focused on this concept and aimed to understand how innovativeness plays a role on consumer perceptions within in food retailing context (Anselmsson and Johansson, 2009; Lin et al. 2015; Lin, 2016). On the other hand, existing studies on perceived innovativeness fail to address the influence of perceived retailer innovativeness on store prestige. In other words, the role of store prestige has never been considered in any of the research models that present perceived retailer innovativeness and store loyalty link. In addition, despite the expanding concern for the healthiness of food and awareness of healthy eating, there is a scarcity of research that analyzes the influence of perceived healthiness of food products on store prestige, store trust and store loyalty in the context of food retailing. Thus, the purpose of the present study is firstly to understand the influence of perceived retailer innovativeness, perceived food healthiness on store prestige, store trust and store loyalty. Secondly, it aims to analyze the mediator role of store prestige and store trust in the relationships between perceived retailer innovativeness, food healthiness, and store loyalty.

This present research contributes to the retailing and consumer behavior literature by revealing the antecedent role of perceived retailer innovativeness, perceived food healthiness, store prestige, store trust on store loyalty in the context of food retailing. The results of this study emphasize the importance of perceived innovativeness specifically in food retailing and may contribute food retailers to plan innovative strategies to increase their perceived innovativeness.

To accomplish this objective of this current study, first, hypotheses are proposed based on the detail literature review. Second, the methodology is presented with data collection, measurement instrument, and sample. Third, analyzes and results are explained. In the last part, conclusions and implications are provided.

Literature Review and Conceptual Framework

Perceived Retailer Innovativeness

Studies in marketing and consumer behavior domain, from a consumer point of view, perceived innovativeness has been conceptualized in different levels. Perceived firm innovativeness is "the consumer's perception of an enduring firm capability that results in novel, creative, and impactful ideas and solutions for the market" (Kunz et al. 2011, p.817). Kim et al., (2015) found that firm innovativeness contributes to partnership value symbolic brand benefits and product benefits. In addition, Kunz et al. (2011) indicated that firm innovativeness positively influences brand affect, which in turn increase loyalty.

Perceived product innovativeness refers to "the perceived product uniqueness, superior product advantage, behavior change, or process learning required to use the product or service", Kim et al., 2015, p. 203). Past research found that perceived brand innovativeness as an antecedent of intention to buy and willingness to pay (Hubert et al., 2017). A previous study has also highlighted the influence of brand innovativeness on brand loyalty (Kunz et al. 2011). In addition, it was also affirmed that service innovativeness is associated with consumers' patronage intentions (Zolfagharian and Paswan). Past research reported that perceived retailer innovativeness is positively associated to purchase intentions (Lin et al.,

2015; Lin, 2016) and green brand innovativeness positively influences loyalty (Lin et al. 2017).

Previous studies on perceived innovativeness refer to signaling theory (Pappu and Quester, 2016), cue utilization theory (Kunz et al., 2011), and associative network model of memory (Shams et al., 2015). Shams et al., 2015, (p.1594) emphasized that “perceived brand innovativeness can act as a signal to consumers”. In other words, signaling theory asserts that “consumers may perceive brands as a signal of unobservable product quality” (Baek et al., 2010, p. 663). Based on a signaling theory, Pappu and Quester (2016, p. 7) stated that “investigators generally agree that innovativeness constitutes one of the signals consumers perceive from a firm”. In addition, from a consumer perspective, perceived brand innovativeness can be considered as an extrinsic cue in evaluating the trustworthiness of a brand.

Focusing specifically on retailing, Lin et al., (2015, p.35) conceptualized perceived retailer innovativeness as “the perception of a consumer of the ability of a retailer to provide new products, services, and promotions”. An empirical research carried out by Lin et al. (2015) identified that product, service, experience, and promotion related innovations constitute consumers’ perceptions towards retailer innovativeness. Lin (2016) specifically focused on convenience retailer and similarly found the positive role of retailer innovativeness on patronage intentions.

Perceived food healthiness

The healthiness of food is becoming crucial as it is directly related to consumers’ health. Therefore, it is considered that healthy eating is vital to maintaining well-being (Jeong and Jang, 2017 p. 2514). In this context, specifically health-conscious consumers are interested in health issues and try to consume healthier food products. Previous research found that health-conscious consumers search for nutritious and natural products and they have the propensity to read food product information and have highest willingness to pay for green restaurants (Jang et al., 2011). In another study in the restaurant context, overall respondents were concerned about the food products they eat (Knight et al. (2007). Past research found that perceived food healthiness leads to increase in value and satisfaction, which in turn impact consumers’ revisit intentions towards restaurants (Kim et al., 2013). In addition, favorable nutrition information and health claims which are presented on restaurant menus and packaged food product labels lead to positive attitudes towards these products, nutrition attitudes and they are more likely to purchase these products (Kozup et al., 2003).

In the context of grocery retailing, it was found that consumers specifically concern about the freshness of fruits and vegetables (Webber et al., 2010). In addition, Chamhuri and Batt, (2013) reported that freshness was the most indicated determinant by the consumers in their purchase decisions related to fresh meat from a store. Similarly, Jacobs et al. (2010) indicated that healthy products are one of the factors that impact consumers’ store loyalty. Olsen et al. (2010) revealed that product assortment including a well-assorted store and high-quality fresh produce is positively related to consumers’ utilitarian shopping value. Therefore, the role of grocery stores in satisfying healthy needs of consumers is specifically important. Providing healthy food products enable grocery retailers to be the first choice among the rivals from in a fiercely competitive environment. For these reasons, grocery retailers offer new fresh food products to reduce consumers’ physical and psychosocial risk (Mitchell, 1998, p. 171).

Store Prestige

The concept of brand prestige has gained growing attention in a fiercely competitive market environment. Prestigious brands are perceived as distinct and have a high statue and thus, this gives them differentiation opportunity from the rivals and accordingly to achieve a

competitive advantage in the marketplace. Brand prestige refers to “the status or esteem associated with a brand” (Stokburger-Sauer et al., 2012, p. 409). Similarly, in this present study store prestige is defined as the status related to a name of a store.

Prestige brands provide consumers tangible and intangible benefits such as a signal of social status (Hwang and Sean Hyun, 2012, p. 658). The previous study indicated that brand prestige as a quality and social benefit cue has a negative influence on perceived risk (Baek et al., 2010). In addition, past research affirmed the positive relationship between store prestige and perceived product quality (Wheatley and Chiu, 1977).

Previous research has highlighted that firm innovativeness influences consumers’ experience and in turn enhance perceived luxury value (Hwang and Hyun, 2016). In the context of grocery retailing, innovative products, creative store design, distinctive promotions, and services together may signal status, uniqueness, and creativeness and accordingly increase store prestige perceptions of consumers. In keeping with this evidence, it is expected that perceived retailer’ innovativeness will lead to increased store prestige. Hence, the first hypothesis is formulated.

H1: Retailer innovativeness has a positive influence on store prestige.

As a proactive marketing strategy, grocery stores can capture potential consumers by focusing on healthy food products. Selling considerable amount of food products with significant health claims may provide the opportunity for grocery stores to be perceived as unique, attractive and highly sensitive to food safety and consequently, this may enhance consumers’ store prestige perceptions with reflecting status and healthy lifestyle. Based on this argument, it is expected that perceived healthiness of food products that are sold in a grocery store is likely to increase consumer perception of store prestige. Therefore, the following hypothesis is suggested.

H2: Perceived Healthiness of food has a positive influence on store prestige.

Store Trust

Trust has been viewed as a crucial element for maintaining long-term relationships with customers (Morgan and Hunt, 1994). Sirdeshmukh et al. (2002, p.17) conceptualized trust as “the expectation held by the consumer that the service provider is dependable and can be relied on to deliver its promises”. (Rubio et al. (2017, p.359) stated that “traditionally, trust is defined as a group of beliefs held by a person derived from his or her perceptions about certain attributes; in marketing, this involves the products or services, and the establishment where they are bought and sold”. Trust has been found to have reduced perceived risk of consumers (Kim et al., 2008). Based on these conceptualizations, in this present study, store trust refers to a reliability and integrity of a retail store.

Drawing upon cue-utilization theory, Kunz et al., (2011, p.819) contended that firm innovativeness can be considered as an extrinsic cue because innovative firms may be evaluated by the consumers as capable of performing all activities successfully. Previous research found a positive influence of firm innovativeness on functional competence including brand competence and trust (Kunz et al., 2011). Past evidence also indicated the positive role of perceived image of the assortment on trust in the retailer (Rubio et al., 2017). It was also affirmed that restaurant innovativeness has a positive influence on customer trust (Jin et al., 2016). Trustworthiness toward a firm is established based on a consumers’ previous experience (Choi and La, 2013, p. 224) and therefore, it is expected that perceived retailer innovativeness should influence trust in food retailer. Based on this evidence, the next hypothesis is posited.

H3: Retailer innovativeness has a positive influence on store trust.

Previous research has identified the positive role of perceived healthiness of food on value and satisfaction in the restaurant setting (Kim et al., 2013). In this regard, healthy food products that are sold in a retail store may help to give the impression that it cares consumers' well-being and this may assure confidence to their customers. In addition, providing private label food products with health claims may positively influence consumers' perceived food healthiness and this may also increase trustworthiness towards a food retailer. Therefore, it is anticipated that consumers' perceived healthiness of food products that are provided in a food retailer can contribute store trust. Accordingly, the subsequent hypothesis is proposed.

H4: Perceived Healthiness of food has a positive influence on store trust.

Consumers' prestige perceptions can constitute a basis for confidence in the brand. Past empirical research has highlighted a positive relationship between brand prestige and brand credibility (Baek et al., 2010), and brand trust (Xie et al., 2015; Choi et al., 2017). Therefore, a food retail store which has high status and prestigious impressions may create perceptions that this store delivers consistently high-quality product and services (Choi et al., 2017). As such, consumers store prestige perceptions which include luxurious and high status, are likely to result in greater levels of trustworthiness towards a food retail store. Based on the aforementioned arguments, the next hypothesis is formulated.

H5: Store prestige has a positive influence on store trust.

Store Loyalty

Retaining and increasing loyal customers is one of the most important aims for companies to be successful in the marketplace. Therefore, firms struggle to boost customer loyalty with innovative applications to differentiate themselves from the competitors. Loyalty has been conceptualized as "a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future" (Oliver, 1999, p. 34). Loyalty reflects consumers' attitudes and behavior towards a specific product or service (Chaudhuri and Holbrook (2001). Store loyalty refers to "the tendency to be loyal to a focal retailer as demonstrated by the intention to buy from the retailer as a primary choice" (Pappu and Quester, 2006, p. 320). Baek et al. (2010, p.663) emphasized that brand credibility and brand prestige may impact consumers purchase intentions by increasing their trustworthiness in the brand selection and enhance social status, and self-respect.

Previous research found that brand prestige influence perceived quality which in turn enhances consumers' purchase intentions (Baek et al., 2010). Steenkamp et al. (2003) also confirm the positive role of brand prestige on purchase intention.

Chaudhuri and Ligas (2003, p.48) asserted that if consumers aim to decrease perceived risk they must be able to trust towards the store. Extant empirical research confirmed the positive influence of customer trust on loyalty (Harris and Goode, 2004; Sirdeshmukh et al., 2002; Castaldo et al., 2009; Chaudhuri and Holbrook, 2001; Choi and La, 2013), commitment (Chaudhuri, and Ligas, 2003). Specifically, previous research has highlighted the positive role of trust in store loyalty (Guenzi et al., 2009) and commitment (Wong, and Sohal, 2002).

Based on these findings, it is expected that prestigious food retailers may attract consumers who seek status and have adopted a healthy lifestyle are more likely to develop loyalty towards these stores. In addition, trustworthiness may positively impact consumers' loyalty towards food retail stores. Hence, the following hypotheses are proposed.

H6: Store prestige has a positive influence on store loyalty.

H7: Store trust has a positive influence on store loyalty.

Based on the theoretical background and research hypotheses, Figure 1 presents a conceptual framework that links perceived retailer innovativeness, perceived food healthiness, store prestige and store trust, which, in turn, store loyalty.

Insert Figure 1 here

Methodology

Data Collection and Sample

In order to empirically test the hypothesized relationships, quantitative research technique based on a survey instrument was used to obtain data. The main data were gathered using a convenience sampling with eight trained researchers from consumers who were 18 years of age or older in different districts from Istanbul, Turkey in February and March 2018. First, upon agreeing to engage in the study, respondents were acknowledged about the purpose of the research. As a prescreening question, respondents were asked whether they had previously visited a food retailer over the past one month. Then, respondents who confirm this criterion were asked to recall and indicate their recently visited food retailer and were requested to fill in the printed questionnaire considering the previously mentioned retailer store.

In all, 650 questionnaires were distributed to recruited respondents between February-March 2018. After checking the 572 returned questionnaires during the two months period, 78 of them eliminated due to their missing responses. Consequently, 512 respondents remained for the analysis.

Within the overall sample, about 61% of the respondents were female. The majority of the respondents (73%) were married. With regard to age, nearly 86% of the respondents were between 31 and 50 years old. Nearly, 64% of the consumers were graduated from a university. According to the monthly household income, about 26% of the respondents had an income between 4001-6000 TL, 37% had between 6001-8000 TL, 21%, had between 8001-10000 TL.

Measurement Instrument and Pre-test

The scales for measuring perceived retailer innovativeness, perceived food healthiness, store prestige, store trust and store loyalty were adapted from previous studies. For measuring perceived retailer innovativeness, five items which intended to capture product, service, experience and promotion-related innovativeness, were adapted from Lin et al. (2015). Four items for measuring perceived healthiness of food was adjusted from Kim et al. (2013). Store prestige measure was based on the three-item scale from Baek et al. (2010). For measuring store trust three items were taken from Chaudhuri and Holbrook (2001). Store loyalty was measured with three items based on the study of Pappu and Quester (2006). The survey items are provided in Table. Scale items were structured using 5-point Likert scales (1 = strongly disagree to 5 = strongly agree). Before conducting the main research, a pilot test was applied to a convenience sample of 25 consumers to ensure the understandability and readability of the survey instrument. After comments from the respondents, some slight changes were made in the initial draft of the questionnaire. A list of measurement items is provided in Table 1.

Insert Table 1 here

Data Analysis and Results

Evaluation of Validity and Reliability

First, the measurement model was examined with confirmatory factor analysis with AMOS statistical software. Second, tests of proposed hypotheses were performed with structural equation modeling (Anderson and Gerbing (1988)). In addition, mediation analyses were also conducted to examine the intervening influence of store prestige and store trust in the structural model. Maximum-likelihood estimation was utilized for all models.

According to the fit indexes that are presented in Table 1, the overall measurement model revealed an adequate fit (Arbuckle, 2006). Convergent validity was confirmed as all standardized factor loadings were significant ($p < 0.001$) and surpass the value of .50 (Hair et al., 2010). In addition, all constructs' AVE values range from .80 to .85, are exceeded the suggested threshold of 0.50, also indicating convergent validity (Fornell and Larcker, 1981).

According to the Fornell and Larcker criterion (1981), discriminant validity was assessed by comparing AVEs and the squared correlations between constructs. Taking into account Table 1 and Table 2, all the AVEs are greater than the squared correlation estimates, providing support for discriminant validity.

Insert Table 2 here

The reliability statistics (CR and α) which are depicted in Table 1 exceed .70 (Hair et al. 2010). Therefore, all scales indicate internal consistency.

Test of Hypotheses

The fit statistics of the structural model was sufficient. ($\chi^2/df = 2.86$, CFI = .98, NFI = .97, TLI = .97, IFI = .98, RMSEA = .06). The structural model results with standardized estimates and their significance levels are depicted in figure 2. The results of the standardized estimated coefficient reveal the significant and positive influence of perceived retailer innovativeness on store prestige ($\beta = .44$; $p < .001$). Thus, H1 is supported. H2, which suggested that perceived food healthiness positively influences store prestige, is confirmed ($\beta = .35$; $p < .001$). H3, which asserted that perceived retailer innovativeness is positively related to store trust, is also verified ($\beta = .28$; $p < .001$). The results also revealed the positive role of perceived food healthiness on store trust, thereby verifying H4 ($\beta = .24$; $p < .001$). As predicted in H5, a positive influence of store prestige on store trust was affirmed. Thus, H5 is supported ($\beta = .30$; $p < .001$). Findings also indicate that store prestige is an antecedent to store loyalty, confirming H6 ($\beta = .39$; $p < .001$). H7, which suggested that store trust is positively associated to store loyalty, is also confirmed ($\beta = .51$; $p < .001$). Overall, the structural model explained 52% of the variance in store prestige, 53% variance in store trust and 67% variance in store loyalty.

Insert Figure 2 here

Mediation Analysis

To examine the mediating impact of store prestige and store trust, Baron and Kenny's (1986) approach was used. For testing the intervening influence of store prestige between retailer innovativeness and store loyalty, first, the direct influence of retailer innovativeness on store

loyalty was assessed prior to the inclusion of store prestige. Perceived retailer innovativeness was found to have a significant influence on store loyalty ($\beta = .35; p < .001$). Second, the relationship between retailer innovativeness and store prestige was examined. The significant relationship was also found between retailer innovativeness and store prestige ($\beta = .45; p < .001$). Third, significant influence of store prestige on store loyalty was verified ($\beta = .29; p < .001$). Forth, with the inclusion of store prestige, the direct effect of perceived retailer innovativeness on the store loyalty was reduced ($\beta = .22; p < .001$). Thus, this condition revealed that store prestige partially mediated the path between perceived retailer innovativeness and store loyalty.

To examine the mediating impact of store prestige between perceived food healthiness and store loyalty, perceived food healthiness, and store loyalty was directly linked and found significant standard path coefficient ($\beta = .32; p < .001$). The linkages between perceived food healthiness and store prestige were found as significant ($\beta = .36; p < 0.001$). Positive significant relationship was also found between store prestige and store loyalty ($\beta = .30; p < .001$). In this condition, the direct influence of perceived food healthiness on store loyalty was reduced ($\beta = .21; p < .001$). Therefore, it can be concluded that store prestige is a partial mediator in the linkages between perceived food healthiness and store loyalty.

To analyze the mediator effect of store trust between perceived retailer innovativeness and store loyalty, first, it was found that perceived retailer innovativeness is positively related to store loyalty ($\beta = .36; p < 0.001$). The relationship between perceived retailer innovativeness and store trust was also identified as significant ($\beta = .28; p < .001$). The significant influence of store trust on store loyalty was also confirmed ($\beta = .43; p < .001$). In this stage, the influence of perceived retailer innovativeness on store loyalty was reduced in strength ($\beta = .22; p < .001$). As a result, the significant partial mediating role of store trust in the causal link from perceived retailer innovativeness to store loyalty was confirmed.

To explore the existence of the intervening role of store trust between perceived food healthiness and store loyalty, the positive role of perceived food healthiness on store loyalty was confirmed ($\beta = .34; p < .001$). Then, the relationship between perceived food healthiness on store trust is also verified ($\beta = .24; p < .001$). After, it was also revealed that store trust has a positive influence on store loyalty ($\beta = .43; p < .001$). In addition, the effect of perceived food healthiness on store loyalty was reduced after inclusion of store trust ($\beta = .21; p < .001$). This result indicated that store trust act as a partial mediator on the link of perceived food healthiness and store loyalty.

Conclusion and Implications

Theoretical Contributions

The main objective of this study was to understand how perceived retailer innovativeness and perceived food healthiness influence store prestige, store trust, and store loyalty. The conceptual framework and empirical results provide some theoretical contributions. First, this present empirical study extends the prior research by primarily focusing on food retailers and examining the role of perceived retailer innovativeness and food healthiness on store prestige, store trust, and store loyalty. The inclusion of perceived retailer innovativeness and perceived food healthiness as antecedents of store prestige and store trust and loyalty contributes to the body of knowledge. Second, examining the intervening and important role of store prestige and store trust contributes to the retailing and consumer behavior literature. In other words, the results of this study suggest that both store prestige and trust play a pivotal role in creating store loyalty. Third, from a theoretical perspective, this study modeled perceived food healthiness as an unexplored antecedent of store prestige and store trust and contributes to the signaling and cue utilization theory in the context of retailing.

This present study empirically revealed that both perceived retailer innovativeness and perceived food healthiness positively related to store prestige. In line with previous evidence, the results indicated that perceived retailer innovativeness is positively related to store trust (Kunz et al., 2011). In addition, it was also confirmed that perceived food healthiness has a positive influence on trust in the retail store. These findings imply that if consumers perceive the food retailer as innovative with new products, services, store atmosphere and promotions, their prestige perceptions will enhance and trust in this retailer correspondingly increase. In this current study, store prestige also confirmed to have a positive effect on store trust, supporting to past research (Xie et al., 2015; Baek, et al. 2010; Choi et al., 2017). This implies that consumers' store prestige perceptions are crucial to build store trust. In addition, in line with previous research positive role of store prestige (Steenkamp, 2003) and store trust (Guenzi et al., 2009) on store loyalty was also confirmed. Hence, increasing consumers perceived store prestige and store trust can potentially enhance store loyalty.

This present study provides evidence of the mediating role of store prestige and store trust in the relationship between perceived retailer innovativeness, perceived food healthiness on store loyalty. This implies that perceptions retailer innovativeness and perceived food healthiness can enhance consumers store prestige perceptions and in turn increase their store loyalty. Similarly, the empirical results also affirmed that perceived retailer innovativeness and perceived food healthiness impact store trust and, in turn, translate into loyalty to a food retail store. As such, perceived retailer innovativeness and perceived food healthiness both directly and indirectly influence store loyalty through store prestige and store trust. Overall, the results of this present study imply that both perceived retailer innovativeness, perceived food healthiness, store prestige and store trust are important predictors of store loyalty.

Managerial Implications

The empirical results of this study confirm that store prestige and trust in the retailer can be formed by perceived retailer innovativeness and food healthiness which, in turn, create store loyalty. In other words, this present study argues that there is a noteworthy opportunity for food retailers to increase store loyalty by investing resources on enhancing consumers' perceived retailer innovativeness and food healthiness and accordingly store prestige and store trust. These findings lead to some managerial implications. In this regard, food retailers should allocate resources for innovative applications. For example, grocery retailers should focus on unique and creative applications to differentiate themselves from the competitors. Specifically, retailers should invest to provide innovative and healthier private label food products with natural ingredients to increase their innovativeness perceptions. In this context, innovative premium and organic private label food products can be a good option to attract innovative and health-conscious consumers. Food retailers may also benefit from the emerging trend of providing sugar-reduced products under their private label to increase innovativeness and healthiness perceptions of consumers. In addition, unique, innovative and attractive grocery store ambiance and design may help to increase innovativeness and prestige perceptions of retail stores as a signal of a status. Moreover, trained store personnel may also contribute the perceived retailer innovativeness.

Promotion-related technologies such as personal shopping assistants, interactive kiosks, should also be used to trigger consumers' unplanned purchase behavior (Lin et al, 2015, p. 39). Different levels of loyalty cards should also be used based on customers' spending amounts and this may increase the perceived status of the food retail store and accordingly enhance store prestige. In addition, new product signs should be placed on the shelves to attract the attention of innovative consumers. Moreover, stock-outs should also be eliminated with an efficient inventory tracking system. Food retailers can also benefit from the products which are only sold in their stores. In this regard, consumers should be informed in inserts and

on the shelves about the products are only sold in this store. This may serve to increase consumers perceived retailer innovativeness. Food stands enable to try with new food products may also contribute the store innovativeness and consequently increase store prestige and store trust. Retailers may also increase perceived innovativeness perceptions by providing brands' new products earlier than the competitors. To accomplish this objective, the food retailer should develop close relationships with the food producers and wholesalers.

New innovative formats under new store names can be an alternative strategy for food retailers to benefit from the perceived innovativeness. These store formats may motivate primarily innovative and health-conscious consumers.

Potential innovative applications should be tested before implementing in all stores. In this context, applications should be firstly used in a limited number of a store to test the consumer responses towards this innovation (Shams et al., 2015, p. 1610). In addition, perceived innovativeness of the company should be tracked with surveys and personal interviews with customers (Kunz et al., 2011, p.821).

Overall results of this study also highlighted the important role of store prestige and store trust in creating store loyalty. Thus, increasing store prestige and store trust with aforementioned innovative applications and providing healthy food strategies can potentially strengthen store loyalty.

Limitations and Future Research

Despite the theoretical and managerial implications of this present research, some limitations also exist. Data were obtained from consumers in one city with convenience sampling technique which limits the generalizability of the results. Future research should be conducted in different cities and countries to obtain more representative results.

The current study focused on food retailers which also limits the implications. In addition, this present study utilized physical food retail stores to understand the role perceived retailer innovativeness on store prestige and store trust and loyalty. It would also be valuable to examine online food retailers' perceived retailer innovativeness. It would also be beneficial to analyze how innovativeness effect consumers' perceptions in different non-food retail store formats to gain additional insights.

Beyond the antecedents that were used in this study, other predictors may also contribute to understanding store loyalty in more detail in the context of perceived retailer innovativeness. In addition, in future research determinants such as product or brand assortment, affordability, convenience, store atmosphere should also be considered to understand consumers' loyalty intentions. The cross-sectional study design was utilized for this study. In future research, it is suggested to use a longitudinal research design to give additional insights with providing how the relationships change over the time.

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Table 1. Scale Items and the Measurement Model Results

Constructs	AVE	CR	α	Loadings
Perceived Retailer Innovativeness	0.77	0.95	0.95	
PRI1. This store offers many new products.				.85
PRI2. This store offers innovative private brand products.				.87
PRI3. This store offers many innovative services.				.93
PRI4. This store offers an innovative shopping environment.				.87
PRI5. This store offers innovative promotions.				.88
Perceived Food Healthiness	0.80	0.94	0.94	
PFH1. This store provides fresh fruit and vegetables.				.87
PFH2. This store sells organic food products.				.88
PFH3. This store serves natural food products.				.93
PFH4. Healthy food products are sold in this store				.89
Store Prestige	0.81	0.93	0.93	
SP1. This store is very prestigious.				.88
SP2. This store has high status.				.94
SP3. This store is very upscale.				.89
Store Trust	0.84	0.94	0.94	
ST1. I trust this store.				.89
ST2. I rely on this store.				.96
ST3. This is an honest store.				.91
Store Loyalty	0.85	0.95	0.95	
SL1. I consider myself loyal to this store.				.93
SL2. I will not buy products from other stores, if I can buy the same item at this store.				.94
SL3. This store is my first choice.				.91
Measurement Model Fit Indexes:				
χ^2/df : 2.59; CFI: 0.98; NFI: 0.97; TLI: 0.98; IFI:0.98; RMSEA: 0.06				
Notes:				
α = Cronbach's α				
$CR = (\sum \text{standardized loadings})^2 / (\sum \text{standardized loadings})^2 + (\sum \text{indicator measurement error})$				
$AVE = (\sum \text{squared standardized loadings}) / (\sum \text{squared standardized loadings}) + (\sum \text{indicator measurement error})$.				
df = degrees of freedom;				
CFI = Comparative Fit Index; NFI=Normed Fit Index; TLI = Tucker-Lewis Index;				
IFI = Incremental Fit Index; RMSEA = Root Mean Square Error of Approximation				

Table 2. Correlations of the constructs

	1	2	3	4	5
1. Perceived Retailer Innovativeness	.88				
2. Perceived Food Healthiness	.68	.89			
3. Store Prestige	.67	.64	.90		
4. Store Trust	.64	.62	.65	.92	
5. Store Loyalty	.69	.67	.71	.76	.92

The diagonal represent the squared root of AVEs for each construct

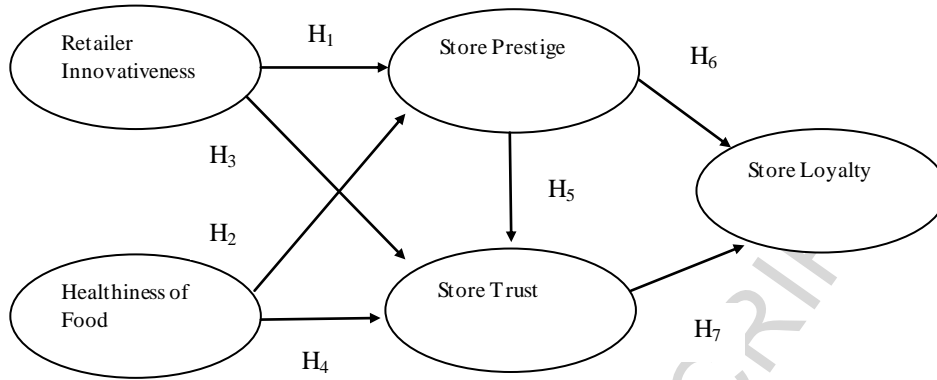
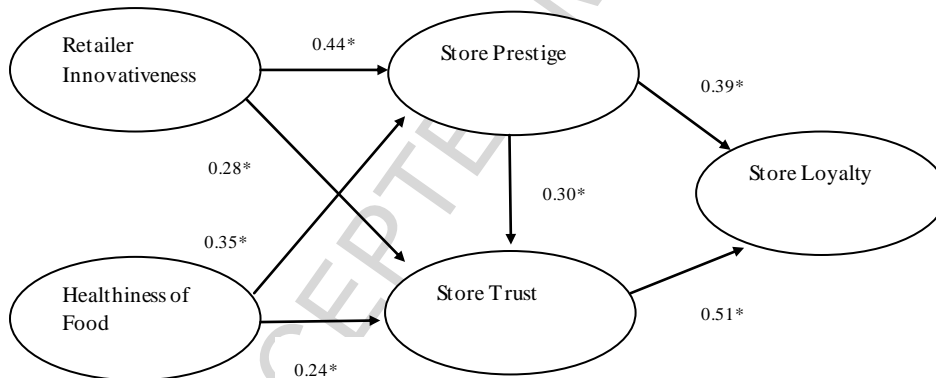


Figure 1: Conceptual Framework



* $p < 0.001$

Figure 2: The standardized estimates of Structural Model

Highlights

- The role of perceived retailer innovativeness and perceived food healthiness on store prestige, store trust, and store loyalty is examined.
- Data were gathered from a convenience sample of consumers using survey instrument in Istanbul, Turkey. Direct and mediated effects were tested utilizing structural equation modeling.
- The empirical data confirm the positive role of retailer innovativeness and perceived food healthiness on both store prestige and store trust. The findings also revealed that store prestige and store trust are positively related to store loyalty.
- The analyses also indicated that store prestige and store trust performed partial mediating influence on the link of retailer innovativeness, perceived food healthiness and store loyalty.

Graphical Abstract

ACCEPTED MANUSCRIPT