



Exploring customer attachment behaviour to sustain the retail industry in Malaysia

Retail industry
in Malaysia

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Abstract

Purpose – The effectiveness of customer experience management to current market growth and perhaps business sustainability has drawn the attention of practitioners and academicians. This paper aims to address the gap by empirically investigating the effect of service encounter, trustworthy promotion and customer attachment behaviour with the moderating influence of customer emotional experience and commitment.

Design/methodology/approach – The study has used a survey approach with a self-administered questionnaire distributed in a retail store intercept: a drop off and collect technique. A hypothesized model was developed, analyzed and tested rigorously using the structural equation modelling procedure.

Findings – The findings reveal that customer emotional experience has positive significant effects on customer attachment behaviour, but not commitment. However, consumers in general will look for the trustworthiness of promotional activities when purchasing both local and international products.

Originality/value – The novelty of this study is the contribution of original knowledge through the development of new findings from a new invention, using the practical tool of comprehensive customer emotion experience, with new dimensions, scale and model. These findings have important implications for future research directions and management of the local or international retail industry.

Keywords Marketing, Business

Paper type Research paper

1. Introduction

The effectiveness of customer experience management to current market growth and perhaps business sustainability has drawn attention of practitioners and academicians. Undoubtedly, it is critical to gain insights into the key drivers of “customer emotional experience” and subsequently ascertain its outcomes in order to design effective customer experience management for market growth and perhaps business sustainability. Understanding on how strong brand survive and why customer experience develops that will leads to customer attachment behaviour remains one of the key challenging and critical management issues today (Schmitt, 2009/2010).

The concept of customer emotional experience captures the very essence of branding much more than analytically and cognitively oriented brand concepts. Failure to develop long term psychological attachment among existing and potential customers of this industry may require the business to bear the increased costs associated with managing the brand as an assets that drive every strategic and investments decision (Davis and Dunn, 2002/2010). In view of the high investment in brand and in promoting local and the international organization to invest their retailing businesses in Malaysia and its ubiquity, the success of such investments and its effectiveness and efficiency is important for both research and in practice. Malaysians’ retailing service provider expenditure represents roughly 35 per cent of total consumer spending, and is expected to see 142 per cent growth by 2017 as disposable incomes rise (Euromonitor, 2012).



The increasing popularity of Malaysian consumer tastes and trends develop in much the same way as the rest of the developing world, fast-paced lifestyles, with the number of single person households and young people on the rise, the demand for local and international products has intensified and has been accommodated by a growing retail industry especially food industry. On average, Malaysian households spend roughly 34 per cent of household income on food and beverages consumptions and 21 per cent on apparel consumptions in 2012; there is indeed a justifiable need to research the phenomena of consumer's motivational factors influencing their consumption experience decisions to engage in retail service provider. All of these issues have added to the significance for such a study to be carried out.

2. Literature review and hypotheses development

For the development of the conceptual framework, the researchers have incorporated the most commonly referred theories, SOR-Stimulus-Organism-Response, from Mehrabian Russel Theory (Mehrabian and Russel, 1974), Consumption Experience Theory, Consumer Behaviour Theory (Holbrook and Hirschman, 1982; Brakus *et al.*, 2010/2012) and Customer-Based Brand Equity Model and Pyramid (CBBEP) (Aaker, 1991; Keller, 2003). The consumption experience may be defined as a phenomenon that involves the consumer's subjective evaluation of the cognitive, affective and relational interaction with the items consumed (Schmitt, 2009/2010).

Consumer and marketing research has shown that experiences occur when consumers search for products, shop for them, received service and consume them (Brakus *et al.*, 2010/2012). A review of the extant literature has revealed that a substantial amount of consumer's consumption experience research has been conducted since it emerged as a legitimate field of study in the 1970s. Generally, this approach views consumer's consumption experience response behaviour as the degree to which a product or service provides a pleasurable level of consumption-related fulfilment (Mehrabian and Russell, 1974). Mehrabian and Russell (1974) is one of the pioneering studies that looked into the cognitive processes underlying consumer response. Mehrabian and Russell (1974), MRP model portrays three interacting constructs that play a central role, SOR namely: stimuli (service encounter and trustworthy promotion), organism (customer emotional experience and commitment) and response (attachment behaviour). Following this work, a substantial body of research effort has been devoted to testing and extending this model.

Service encounter is one of the most investigated constructs in the history of marketing scholarship and it is clearly the most investigated constructs in the field of services marketing. According to Zeithaml (2000) recognized attitude proposition as the most comprehensive evaluators of service quality. Even though, the service encounter as attitude proposition has not been subjected to much empirical and conceptual debate, the conventional wisdom is that the overall evaluative nature of service quality makes it an attitude or attitude-like constructs (Jang and Namkung, 2008). Therefore, based on previous studies (Jang and Namkung, 2008), it is expected that product and service quality has a positive effect on consumers' experience towards their identified products:

H1. Service encounter has significant positive effect on customer emotional experience towards retail brand.

Trustworthiness of promotional activities can be defined by which firms attempt to inform, persuade, incite and remind consumers directly or indirectly about the brands

they sell (Kotler, and Armstrong, 2006). Promotions represent the voice of a brand and the means by which companies can establish a dialogue with consumers concerning their product offerings, detailed product information or even ignore the product all together to address other issues. Hence, associate a brand with a specific person, place, experience or thing.

In these and other ways, promotional activities allow marketers to transcend the physical nature of their products or their technical specifications of their services to imbue products and services with additional meaning and value. In doing so, it can contribute to greater emotional experience and sustained consumer loyalty. In this context, promotion may influence what consumers think about products, what emotions they experience in purchasing and using them, and what behaviours they perform, including purchasing in particular products/brands. In this study, it is also expected that promotional activities is significant positive effect with customer emotional experience:

H2. Trustworthy promotion has significant positive effect on customer emotional experience towards retail brand.

Customer emotional experience is conceptualized as an actual sensations, feelings, cognition and behavioural responses towards the product or brand (Brakus *et al.*, 2010/2012). The development of customer emotional experience in accordance with the mission of retailing sector policy is to develop Malaysia as a leader in service industry in this region. This objective, however, would be thwarted if there is no coherent monitoring and performance assessment of government and private agencies in the retail industry. This concern is vital and should not be taken lightly. Moreover, local and international retail brand is growing rapidly and there are possible changes to the factors that influence consumption. Consumption experiences are multidimensional and include hedonic dimensions, such as feelings, fantasies and fun (Holbrook and Hirschman, 1982).

The experiential marketing approach views brands as an integrated holistic experience, which is possible to create through intelligent stimulate, affective and creative relations, as well as associating a lifestyle with the brand (Rozita and Norzaidi, 2012). In summary, experiences arise in a variety of settings where experiences occur directly and indirectly during and after the consumption, for example, when consumers shop, buy and consumed products. The hypothesizes to capture these associations are formally stated as follows:

H3. In the retail consumption experience, customer emotion experience has positive relationship with commitment.

Customer attachment behaviour is characterized by strong connections between consumer and the products/brands (Keller, 2003). Brands with strong attachment benefit from increase customer active loyalty and decreased vulnerability to competitive marketing actions. In the CBBE model, attachment, occurs when it completely reflects a harmonious relationship between customers and the brand. With true brand attachment, customers have a high degree of loyalty marked by a close relationship with the brand such that customers actively seek means to interact with the brand and share their experiences with others. The challenge is to ensure the customer has the right experiences to create the right brand attachment (Keller, 2003).

Consistent with (Brakus *et al.* (2010/2012) and Schmitt (2009/2010), this study proposes to conceptualize the effect of multi-sensory stimuli and emotive customer experience related to commitment and attachment. Therefore, researchers propose:

- H4. In the retail consumption experience, customer emotional behaviour is positively related to customer attachment.
- H5. In the retail consumption experience, commitment is positively related to customer attachment.

The conceptual framework depicts the hypothesized relationships among variables are constructed in a path diagram format in Figure 1.

3. Research methodology and data analysis

The serial series of in-depth interviews of open ended questions and focus group interviews with the retail operators and consultants and adults customer's with respect to one particular local or international retail brand (that they purchased and consumed within the one month prior to data collection). As no sampling frame is available, probability sampling was ruled out. The sample is restricted to adults' customers from the age of 16 and above due to the consumers' psychological attachments to brand names. In all, 750 self-administered questionnaires were distributed by researcher based on quota sampling using drop off and collect techniques (retail store intercept). The scales utilized in this study are: semantic differential scale (seven-point scale), Likert scale (seven-point scale: 1 = strongly disagree to 7 = strongly agree) and dichotomous scales. Due to missing answers and not the targeted respondents, feedback from only 450 respondents, representing a response rate of 60 per cent, was included in data analysis using quota sampling according to gender and ethnic group. It is considered to be high to represent of the population studied as (Pallant, 2007), indicate that an analysis should obtain at least 30 per cent responses. The analysis were conducted through first, exploratory factor analysis and second, confirmatory factor analysis.

The maximum likelihood was used as the estimation method for the analysis of this study. Indices such as χ^2 , ratio of χ^2 to degrees of freedom, root mean square error of approximation (RMSEA), goodness of fit index (GFI), normed fit index (NFI) and comparative fit index (CFI) were adopted for model fit criteria. The structural equation modelling (SEM) was conducted after CFA to examine the relationships among the variable tested. Finally, all pertinent results on the measurement models were reported (refer to Tables I and II).

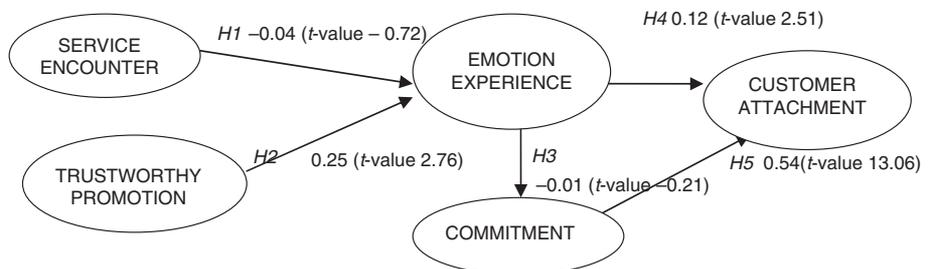


Figure 1.
Results of hypothesized model

Constructs	Std. regression (loading)	Critical ratio ^a (<i>t</i> -values)	Composite reliability	<i>R</i> ²	AVE	Cronbach's α
<i>Service encounter</i>			0.85		0.62	0.87
1. Willing to help	0.85	18.58		0.71		
2. Instills confidence	0.88	19.35		0.78		
3. Best interests at heart	0.77	–		0.59		
<i>Trustworthy promotion</i>			0.90		0.74	0.92
1. Believable	0.91	24.73		0.82		
2. Trustworthy	0.93	25.68		0.86		
3. Credible	0.83	–		0.70		
<i>Emotion experience</i>			0.95		0.55	0.93
1. Disappointed/ contented	0.87	21.90		0.75		
2. Unpleasant/pleasant	0.88	22.47		0.78		
3. Bad/good	0.83	–		0.70		
4. Calm/excited	0.81	12.46		0.65		
5. Uncomfortable/ comfortable	0.75	11.96		0.56		
6. Influenced/influential	0.60	–		0.36		
7. Not established/ established	0.73	16.81		0.53		
8. Impassionate/ passionate	0.77	17.90		0.59		
9. Worthless/valuable	0.69	15.96		0.47		
10. Unmemorable/ memorable	0.84	–		0.71		
<i>Commitment</i>			0.78		0.54	0.88
1. Not switch	0.79	21.22		0.66		
2. Committed	0.90	–		0.81		
3. Likable	0.87	24.75		0.63		
<i>Customer attachment</i>			0.92		0.61	0.93
1. Favourite brand	0.89	26.14		0.79		
2. Special attachment	0.90	–		0.80		

Note: ^aCritical ratio (*z*-statistic) represents the parameter estimate divided by its standard error

Table I.
Confirmatory factor
analysis with factor
loadings, variance
extracted and construct
reliability, *R*² and
Cronbach's α

Hypothesis number and hypothesized path	Standardized coefficient	Critical ratio (<i>t</i> -value)	Results
<i>H1.</i> Service encounter → customer emotion experience	–0.04 (–)	–0.72	Not supported
<i>H2.</i> Trustworthy promotion → customer emotion experience	0.25 (+)	2.76***	Supported
<i>H3.</i> Customer emotion experience → commitment	–0.01 (–)	–0.21	Not supported
<i>H4.</i> Customer emotion experience → customer attachment	0.12 (+)	2.51**	Supported
<i>H5.</i> Commitment → customer attachment	0.54 (+)	13.06****	Supported

Notes: Non-significant. **, ***, ****Significant at $p < 0.05 (t > \pm 1.96)$; $p < 0.01 (t > \pm 2.57)$; $p < 0.001 (t > \pm 3.29)$

Table II.
Results of the
hypotheses tested

4. Results

Two demographic variables have been identified as the control variables of quota sampling for the composition of the sample (i.e. gender and age). Table III presents the profile of respondents, with majority of them being female (72 per cent) and high percentage of the respondents fall in the age category of 25-34 years are dominant (36 per cent). Interestingly, high proportion of the sample comprises of Malay race (56 per cent) and graduates (55 per cent) and nearly 49 per cent work in private sector. With respect to monthly income, almost 32 per cent of the respondents earn a monthly income of RM 3,001-RM 5,000.

The measures employed in this study initially were purified via item-to-total correlation and exploratory factor analyses. As a rigorous test of discriminant validity (see Fornell and Larcker, 1981), the average variance extracted (AVE) for each construct was computed and found to be greater than the squared correlation between that construct and any other construct in the model. The structural model was tested to assess the hypothesized structural relationships of the five constructs (refer to Figure 1).

The results revealed that the structural model has a significant χ^2 -value ($\chi^2 = 271.90$, $df = 73$, $p < 0.001$) indicating inadequate fit of the data with the hypothesized model. Based on the suggestion by Hair *et al.* (2003), reliance on the χ^2 -test as the sole measure of fit is not recommended due to its sensitivity to sample size. Hence, alternative fit indices were used as the test for model fit. Based on the result of other fit indices (RMSEA = 0.068, GFI = 0.932, NFI = 0.951 and CFI = 0.951), it was shown that the model fits the data satisfactorily. Hence, the study's attempt to establish a plausible model that has statistical and explanatory power, which could permit confident interpretation of results, was thus fulfilled. The statistical significance of the structural parameters was examined and it was found that three hypotheses were supported and two hypotheses were not supported.

Profile	Description	Frequency	Percentage
Gender	Male	144	28
	Female	308	72
Age	16-24	129	28
	25-34	152	36
	35-44	79	18
	45-54	51	11
	55-64	41	7
Ethnic background	Malay	255	56
	Chinese	149	33
	Indian/others	48	11
Education	High school	144	31
	Graduate	247	55
	Postgraduate	47	11
	Others	14	3
Work sector	Public sector	77	17
	Private sector	207	46
	Self-employed	66	15
	Student	102	22
Monthly income	RM 0 – RM 3,000	259	57
	RM 3,001 – RM 5,000	119	26
	RM 5,001 and above	74	17

Table III.
Demographic profile
of respondents

5. Discussion and conclusion

The findings suggest that trustworthy promotion play significant roles in influencing Malaysian to develop customer emotion experience that lead to customer attachment towards their retail brand. Moreover, the study also confirms the sequential path of influence from trustworthy promotion to customer emotion experience which subsequently can impact customer attachment found in several studies (Fournier, 1998; Hess and Story, 2005; Jang and Namkung, 2008). Probably, due to the education and career advancement, Malaysians are also exposed to the modern lifestyle phenomenon and have the same obsession with the believable promotion that lead to their trustworthy just like their international retail brand and western counterparts. Surprisingly, it is revealing that service encounter does not play significant role in influencing Malaysian consumers' attachment towards their favourite retail brand whether local or international brand. The findings reveal that customer emotion experience has positive significant effects on customer attachment but not commitment. Even customers have positive emotional experience towards their favourite local or international retail brand; they will not commit to the brand.

6. Contributions, limitation and future research directions

The novelty of the present study is the contribution of original knowledge through the development of new findings on a new invention and practical tool of comprehensive customer emotion experience dimensions, scale and model. As an experimental model, this is appropriate and useful for decision making at the management level to predict customer emotion experience and which could guide policymakers/decision makers/vendors/producers/local home grown or foreign retail operators in the industry.

There is limitation experienced by this research, certainly, longitudinal research is required to capture fully the dynamic nature of customer behaviour specifically in tracking their buying habit personality, attitude and loyalty, which will be developed over a long period of time. Future studies should incorporate other factors related to the source such as the pricing of the product. Future studies can examine the relevance of the other customer emotion experience mediator in the context of Malaysia retail industry. Therefore, continuous and more thorough investigations with incorporations of other measures of the constructs may be needed in order to enhance our understanding of the concept of customer emotion experience either in the same setting or different retail environment.

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